



September 22, 2025

AB 564 Signed: Governor Newsom Breaks 2022 Promises and Chooses Big Cannabis Profits Over Children and Environment

Statement from Dr. Lynn Silver, MD, MPH, Director, Getting it Right from the Start, an initiative of the Public Health Institute:

“We are profoundly disappointed that the legislature passed, and Governor Newsom chose to sign, AB 564 (Haney), siding with the cannabis industry’s false narrative of being ‘in crisis’ instead of standing with California’s children, families, and environment. In doing so, the Governor has embraced a massive tax giveaway to Big Cannabis — one that will permanently cut the legally guaranteed baseline for future annual funding for childcare, youth substance use prevention, environmental restoration, and law enforcement — the very programs Proposition 64 promised voters.

The Governor’s decision compounds an already devastating loss of hundreds of millions of dollars in funding since the 2022 repeal of the cultivation tax and the passage of SB 141 earlier this year. These cuts come just as federal support for these goals is evaporating, and the state faces a large budget deficit — making cannabis tax revenue more important than ever. Worse still, the bill ignores the real drivers of the illicit cannabis market — massive overproduction and weak enforcement — instead rewarding corporate lobbyists at the expense of kids. This is not what California voters supported when they legalized cannabis.

AB 564 undermines the intent of Proposition 64, betrays the will of the people, and raises serious questions of legality. It also betrays the deal reached with children’s organizations when the cultivation tax was cut in 2022, which was conditioned on restoring funding this year. For these reasons, we will continue to fight for California’s children and communities — and to oppose this impermissible change to the decisions of California voters.”

[AB 564 Fact Sheet](#)

Getting it Right from the Start, a project of the Public Health Institute, works with states, cities, counties and community partners to develop evidence-based model policies and provide guidance on cannabis policies that can help reduce harms, protect against youth and problem cannabis use, and advance social equity.