



OFFICE OF THE GOVERNOR

SEP 27 2016

To the Members of the California State Assembly:

I am returning Assembly Bill 2348 without my signature.

This bill authorizes the Department of Finance to identify infrastructure projects for investment by the Public Employees' Retirement System and then guarantee those investments a certain rate of return.

This bill makes the state a guarantor of PERS investments. In the event that any such investment fails to meet the expected return, the state General Fund would be forced to make up the difference. That's not prudent.

Sincerely,



Edmund G. Brown Jr.