



OFFICE OF THE GOVERNOR

OCT 06 2021

To the Members of the California State Assembly:

I am returning Assembly Bill 865 without my signature.

This bill requires alternative payment programs (APP) to reimburse child care providers based on the maximum certified hours of need rather than attendance, and amends statute regarding verification of provider rates, APP fund reserves, and acceptable forms of signature.

In recognition of the impact of the COVID-19 pandemic on child care providers, I have provided substantial funding over the last two budgets so providers are reimbursed based on enrollment, not on attendance. However, I cannot support a permanent extension of that policy at this time, as it will result in significant ongoing General Fund cost pressures in the tens of millions of dollars that were not included in the state's current spending plan.

Sincerely,



Gavin Newsom

