



OFFICE OF THE GOVERNOR

SEP 27 2022

To the Members of the California State Assembly:

I am returning Assembly Bill 2077 without my signature.

This bill would increase the personal needs allowance (PNA) from \$35 to \$80 per month for Medi-Cal beneficiaries residing in medical institutions, nursing facilities, or receiving services from a Program of All-Inclusive Care for the Elderly (PACE). The increase would begin no earlier than July 1, 2024 and would be contingent on any necessary federal approval and that federal financial participation (FFP) is available.

I am sympathetic to the author's efforts to increase the amount a Medi-Cal beneficiary in Long-Term Care is able to retain each month to meet their personal or incidental needs to reflect the rising cost of personal goods. However, this bill could result in ongoing costs of approximately \$23.8 million (\$11.9 million General Fund) and these costs were not accounted for in the budget.

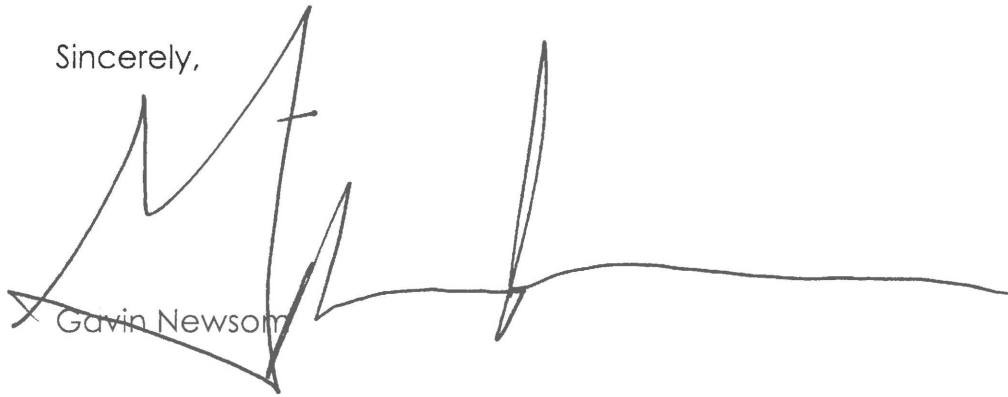
With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs.

The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing

commitments not accounted for in the state budget. Bills with significant fiscal impact, such as this measure, should be considered and accounted for as part of the annual budget process.

For these reasons, I am returning AB 2077 without my signature.

Sincerely,

A handwritten signature in black ink, appearing to be "Gavin Newsom". The signature is stylized with a large, sharp initial "G" and a long, horizontal stroke extending to the right. The name "Gavin Newsom" is printed in a small, black, sans-serif font directly beneath the signature, partially obscured by the ink.