To the Members of the California State Senate:

I am returning Senate Bill 1001 without my signature.

This bill would require the California Cybersecurity Integration Center (CalCSIC) to submit a report to the Legislature on the feasibility of, and potential benefits, risks, and costs of, requiring credit reporting bureaus and lenders to implement new information security tactics that protect consumers from financial fraud.

I am supportive of efforts to improve cybersecurity. Through the budget process, we have substantially increased the capacity of the CalCSIC in recent years, and in October last year, my administration published Cal Secure, the State’s first ever multi-year cybersecurity roadmap that addresses critical gaps in the state’s information and cybersecurity programs while enabling the state to manage existing and future threats more effectively. However, this bill would require millions of dollars not accounted for in the budget for the research and industry expertise needed to complete the feasibility studies.

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 cannot sign this bill.

Sincerely,

Gavin Newsom