



## OFFICE OF THE GOVERNOR

**SEP 27 2022**

To the Members of the California State Senate:

I am returning Senate Bill 1140 without my signature.

The bill would require the Department of Social Services to establish a process for recipients to report electronic theft of electronic benefits and requires the replacement of such benefits after the recipient reports their electronic benefits transfer card or personal identification number lost or stolen. This bill also authorizes the automatic replacement of benefits without the need for recipient reporting and verification.

The electronic theft of benefits affects families and individuals who need help the most, which is why the Department of Social Services has an existing process to replace CalFresh benefits when stolen from an electronic benefit card. I applaud the author for his efforts to expand this process to include the replacement of all benefits on an EBT card in a worthy effort to minimize the harm to recipients. However, this proposal would require millions of dollars in General Fund expenditures that were not accounted for in the budget.

Protecting recipients and ensuring timely replacement of lost or stolen benefits is a priority for my Administration. The California Health and Human Services Agency and the Department of Social Services are working in partnership with counties and the advocate community on several initiatives to improve existing processes, including simplifying the process for reporting and requesting replacement benefits and removing overly burdensome requirements. We



welcome the Legislature's continued partnership in efforts to reduce EBT theft and fraud.

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