

OFFICE OF THE GOVERNOR

OCT 0 8 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 372 without my signature.

This bill would exempt income up to 200 percent of the federal poverty level (FPL) that is received from an apprenticeship, or a pre-apprenticeship program approved by the Chief of the Division of Apprenticeship Standards for purposes of determining California Work Opportunity and Responsibility to Kids (CalWORKs) eligibility.

I appreciate the author's intent to support low-income individuals participating in apprenticeship programs. However, this bill would result in ongoing costs of over \$25 million annually, which should be considered as a part of the annual budget process.

In partnership with the Legislature, we enacted a budget that closed a shortfall of more than \$30 billion through balanced solutions that avoided deep program cuts and protected education, health care, climate, public safety, and social service programs that are relied on by millions of Californians. This year, however, the Legislature sent me bills outside of this budget process that, if all enacted, would add nearly \$19 billion of unaccounted costs in the budget, of which \$11 billion would be ongoing.

With our state facing continuing economic risk and revenue uncertainty, it is important to remain disciplined when considering bills with significant fiscal implications, such as this measure.

For these reasons, I cannot sign this bill.

Sincerely,