



OFFICE OF THE GOVERNOR

OCT 08 2023

To the Members of the California State Assembly

I am returning Assembly Bill 404 without my signature.

This bill requires the California Department of Food and Agriculture (CDFA), upon appropriation, to evaluate duplicative reporting requirements that affect certified organic grower operations, and to submit a report to the Legislature on its findings.

While I support the author's goal to reduce regulatory burdens on certified organic operations, this bill is duplicative of existing efforts. CDFA, in collaboration with the California Environmental Protection Agency and State Water Resources Control Board, is currently conducting a project to evaluate reporting requirements on agricultural producers as part of an effort to streamline the administrative processes and optimize information collected by the state. Additionally, the 2023 Budget included resources to continue CDFA's efforts to streamline licensing, permitting, certification, and registration processes to further reduce the burden of regulatory compliance. The evaluation and reporting required by this bill, however, were not accounted for in the annual budget process and would thus result in additional cost pressures on the General Fund.

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,

A handwritten signature in black ink, appearing to be "Gavin Newsom", written over a horizontal line. The signature is stylized and cursive.

Gavin Newsom