



## OFFICE OF THE GOVERNOR

OCT 08 2023

To the Members of the California State Assembly:

I am signing Assembly Bill 590, which authorizes state agencies that administer grants to or contracts with nonprofit organizations to advance a payment of up to 25 percent of the total grant or contract amount awarded to the nonprofit organization, subject to specified eligibility, reporting and accounting requirements.

Last year, I signed AB 156, a budget trailer bill which authorized a pilot program for advanced payments similar to this bill for a limited number of entities and required the Department of Finance to report on the outcomes of this pilot by January 10, 2025. While I am signing this bill, I believe we should revisit this policy following the release of the report specified in AB 156, to ensure any necessary adjustments or safeguards identified by the report are enacted.

I am committed to expanding equitable access to state grants and contracts, and the utilization of advance payments is a strategy that may support various nonprofits working with disadvantaged, low-income, and under-resourced communities. However, a measured approach is key in the implementation of this bill. I look forward to working with the legislature and stakeholders on the implementation of this bill, as well as revisiting this issue for any subsequent changes deemed necessary following the release of the pilot program report.

Sincerely,

Gavin Newsom

