OFFICE OF THE GOVERNOR

OCT 08 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 843 without my signature.

This bill would require the California Department of Social Services (CDSS) to promptly reimburse any benefits issued via the electronic benefits transfer (EBT) system when electronically stolen or lost, including cash and food benefits.

I appreciate the author's desire to remedy lost EBT cards, as these supports are important resources for the people that receive them. As such, CDSS has been working with counties since 2021 to implement policies to replace electronically stolen CalFresh benefits, and the department has taken several measures to prevent theft in the future. CDSS partners with local, state, and federal law enforcement agencies to conduct investigations against EBT fraud, blocks early morning and out-of-state ATM withdrawals unless requested, and provides client educational materials informing of the risks of electronic theft and prevention measures. Further, CDSS is launching the ebtEDGE mobile app this year, so cardholders can freeze their card, reset their PIN, and request a new card easily, and additionally will be replacing EBT cards with Chip EMV/Tap cards beginning May 2024.

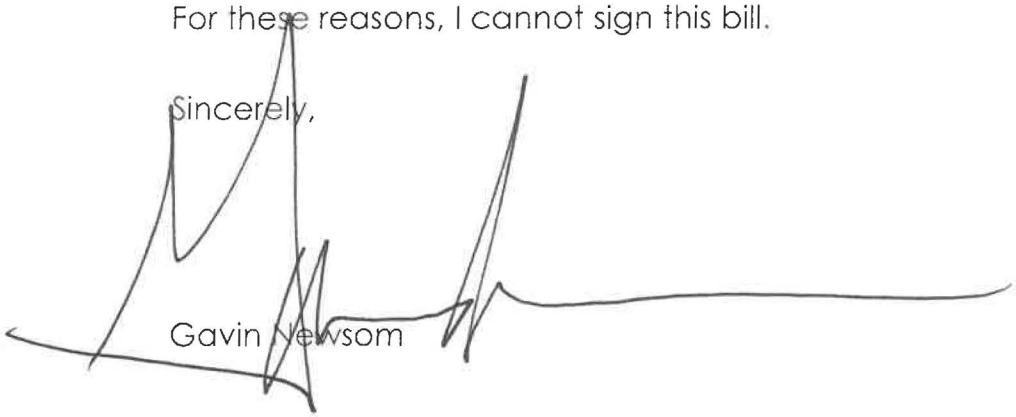
This bill, however, would create a new mandate for CDSS to reimburse a wider scope of benefits beyond CalFresh, resulting in significant General Fund costs in the tens of millions annually that are not included in the state's budget. Additionally, this bill may create a state-reimbursable mandate for county welfare departments because it requires a higher level of service.

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,



Gavin Newsom