



## OFFICE OF THE GOVERNOR

OCT 08 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 970 without my signature.

This bill requires the California Department of Insurance, upon appropriation, to establish and administer the Climate and Sustainability Insurance and Risk Reduction Program and creates eight climate insurance pilot projects to reduce physical risks from flooding and extreme heat in communities with high risks and low insurance uptake.

While I support the author's goal to expand insurance options in communities where climate risks are currently underinsured, this bill creates a significant state reimbursable mandate and new cost pressures in the millions of dollars that should be considered in the annual budget process.

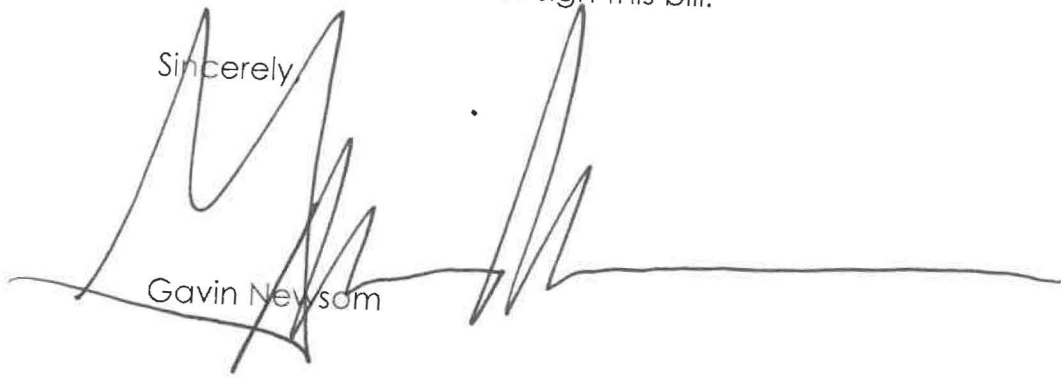
In partnership with the Legislature, we enacted a budget that closed a shortfall of more than \$30 billion through balanced solutions that avoided deep program cuts and protected education, health care, climate, public safety, and social service programs that are relied on by millions of Californians. 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 this reason, 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 somewhat illegible due to the cursive nature of the handwriting.

Gavin Newsom