



OFFICE OF THE GOVERNOR

OCT 13 2025

To the Members of the California State Assembly:

I am returning Assembly Bill 766 without my signature.

This bill would require agencies, departments, offices, or commissions under the Governor's authority to develop or update their strategic plans to more effectively advance racial equity and respond to identified disparities with changes to the organization's policies, programs, and operations. This bill would also require each entity to report to the Legislature and Governor, by April 1, 2026, and annually thereafter, on the steps taken to develop and adopt a strategic plan.

I share the author's goal to ensure equity is embedded within my Administration's actions and plans. In 2022, I signed EO N-16-22, which provided a framework towards helping make the California Dream a reality for every one of us. That EO also created the 11-member Racial Equity Commission to recommend tools, methodologies, and opportunities to address inequities facing historically underserved and marginalized communities across the state.

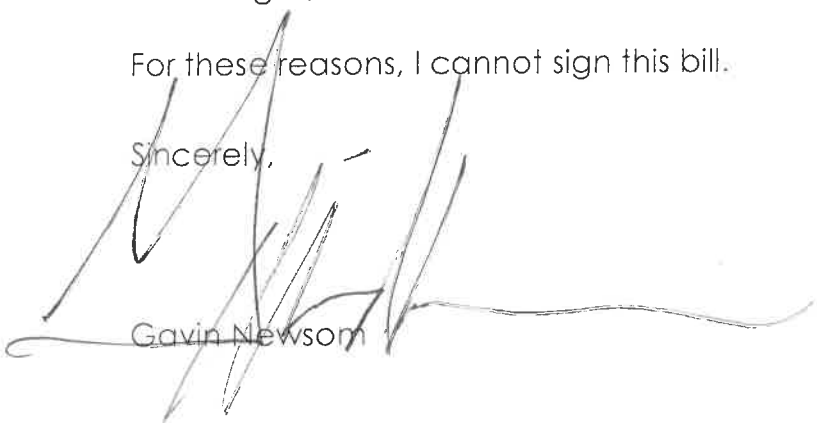
Unfortunately, the bill's timelines for reporting on strategic plans, along with the additional information entities must include in their plan and uncertainty around which entities are required to comply, are unworkable. Lastly, expanding the reporting requirements to all entities under my purview with these accelerated timelines will lead to significant costs not accounted for in this year's final budget agreement.

In partnership with the Legislature this year, my Administration has enacted a balanced budget that recognizes the challenging fiscal landscape our state

faces while maintaining our commitment to working families and our most vulnerable communities. With significant fiscal pressures and the federal government's hostile economic policies, it is vital that we remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.

For these reasons, I cannot sign this bill.

Sincerely,



Gavin Newsom