



OFFICE OF THE GOVERNOR

SEP 27 2026

To the Members of the California State Assembly:

I am returning Assembly Bill 2314 without my signature.

This bill would propose new requirements for the Voluntary Temporary Transfer (VTT) of child care and development funds, allow a VTT request submission at any time during the fiscal year, and add optional fiscal management provisions for Alternative Payment Programs (APP).

I share the author's intent of ensuring families have access to reliable childcare. However, allowing an APP contractor to submit a VTT request at any time during the fiscal year conflicts with CDSS' existing statutory authority to set timelines for temporary transfers of funds. This compromises program integrity, putting contractor annual fiscal reports and audits at risk, and creates unnecessary administrative burdens for CDSS and contractors alike. Additionally, the bill's permissive language regarding the transfer of VTT funds out of a county conflicts with childcare and development funding requirements that were negotiated as part of the 2026 Budget.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom