OFFICE OF THE GOVERNOR

SEP 18 2026

To the Members of the California State Senate:

I am returning Senate Bill 769 without my signature.

This bill would enact the Golden State Infrastructure Act, establishing the not-for-profit Golden State Infrastructure Corporation (GSIC) within the State Treasurer's Office to finance large-scale infrastructure projects. This bill establishes a continuously appropriated GSIC Fund and authorizes the GSIC to govern and finance qualifying projects through public-private partnerships.

I appreciate the author's goal of leveraging public and private resources to finance large infrastructure projects. However, the creation of this new entity may require significant upfront seed funding from the General Fund in the hundreds of millions of dollars. Moreover, the GSIC would overlap with existing state authorities, such as the California Infrastructure and Economic Development Bank (IBank), and it is unclear whether the GSIC would complement this work or confuse it.

This proposal is best evaluated through the annual budget process, when the state's potential financial obligation can be considered in the context of the state's other existing infrastructure financing tools and available resources. In partnership with the Legislature, 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