



OFFICE OF THE GOVERNOR

OCT 07 2011

To the Members of the California State Senate:

I am returning Senate Bill 439 without my signature.

This bill would prohibit board members and high-level employees of the California Public Employees Retirement System (CalPERS) and the California Teachers Retirement System (CalSTRS) from receiving gifts in excess of \$50 in a year from anyone who contracts with CalPERS and CalSTRS. Current law requires that gifts in excess of \$50 be reported, but does not prohibit them outright.

As the author of the Political Reform Act, I feel strongly that gifts made to public officials should be disclosed and subject to monetary limits as they are under current law. In point of fact, the Fair Political Practices Commission over the years has promulgated pages and pages of detailed regulations covering such gifts. To now create a special set of rules that will apply exclusively to CalPERS and CalSTRS would add more complexity without sufficiently advancing the goals of the Political Reform Act.

Sincerely,

A handwritten signature in black ink that reads "Edmund G. Brown Jr." with a stylized flourish at the end.

Edmund G. Brown Jr.