



OFFICE OF THE GOVERNOR

OCT 15 2017

To the Members of the California State Senate:

I am returning Senate Bill 599 without my signature.

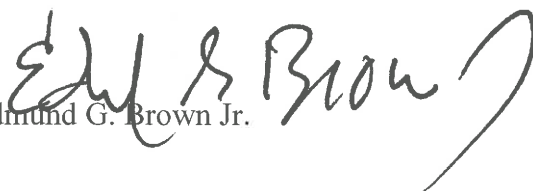
This bill allows specified public safety employee associations to offer multiple statewide and regional health benefit plans to their members.

Existing association health benefit plans are currently afforded very little oversight by the California Public Employees' Retirement System. By allowing these employee associations to offer additional health plans to their members, CalPERS would be left with major unanticipated costs should any of the plans fail.

The state now faces over \$240 billion in unfunded pension and health liabilities. Since 2011, the annual costs for all this have increased significantly as the state takes steps to pay down the long-term obligation faster.

In light of these enormous fiscal commitments, I am unable to sign this bill.

Sincerely,


Edmund G. Brown Jr.