



OFFICE OF THE GOVERNOR

SEP 28 2022

To the Members of the California State Senate:

I am returning Senate Bill 410 without my signature.

This bill establishes a nine-step merit salary system for all represented California State University (CSU) nonfaculty staff employees with each employee to be placed in the salary step based on their existing years as a represented nonfaculty staff employee in the CSU. The bill also requires that language that effectuates the bill's provisions shall automatically be incorporated into any pertinent memorandum of understanding or collective bargaining agreement entered into, or renewed, by the CSU on or after January 1, 2023. Additionally, the bill requires the CSU to fund the proposed salary increases within existing resources.

Raising wages and creating salary equity for nonfaculty staff at our nation's largest and most diverse public university system is a goal that the CSU should strive to achieve, especially as these aims can positively impact recruitment and retention. This bill, however, creates cost pressures of \$287 million in the first year and rises to more than \$850 million in ongoing General Fund cost pressures not specifically accounted for in the State or CSU budget plans. Unless significant additional resources are added to the system, it would require that resources be redirected away from other purposes, likely including student success efforts.

Earlier this year, my Administration and the CSU agreed to a Compact that includes a commitment to significant multi-year investments in the CSU. It is my expectation that CSU leadership can both meet the commitments of the Compact and transition to a steps model for nonfaculty staff. I expect the CSU



Board of Trustees and Interim Chancellor to work collaboratively and creatively with their labor organizations to resolve these issues at the bargaining table.

For these reasons, I cannot sign this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Gavin Newsom". The signature is stylized and overlaps with the printed name below it. It consists of several sharp, upward-pointing strokes and a long horizontal line extending to the right.

Gavin Newsom