



## OFFICE OF THE GOVERNOR

OCT 08 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 1356 without my signature.

This bill would amend the California Worker Adjustment and Retraining Act (Cal/WARN) to, among other things, increase the amount of notice that an employer must provide before a mass layoff, termination, or relocation from 60 days to 75 days; expand the law's coverage to include contract workers among the employees that an employer must notify; and significantly revise the definition of "covered establishment" to include a single location or a group of locations, including any facilities located in California.

The inclusion of employees of labor contractors, while laudable in its intent, risks imposing liability on client employers who cannot reasonably be expected to know whether their actions will cause job loss for employees of their subcontractors and may not have the information necessary to provide the required notice.

In addition, the bill expands the definition of "covered establishment" to include a group of locations anywhere in the state and subjects chain businesses, such as restaurants, to the law's requirements even where layoffs are unrelated and occur in geographically disparate regions of the state. It is not clear that this change is consistent with the purpose of Cal/WARN to protect local communities and enable a rapid response to a potential shock to a local economy and workforce.

I urge the author to work with my Administration to develop solutions that may better address the problem, while fulfilling the objectives of Cal/WARN.



Sincerely,

Gavin Newsom

A handwritten signature in black ink, consisting of several loops and a long horizontal tail, positioned over the printed name 'Gavin Newsom'.