



## OFFICE OF THE GOVERNOR

OCT 08 2023

To the Members of the California State Assembly:

I am returning Assembly Bill 575 without my signature.

This bill would expand eligibility for Paid Family Leave (PFL) benefits to include workers who take time off from work to bond with a child for whom they are acting in loco parentis. The bill also removes the restriction that only one family member at a time is allowed to access PFL benefits and also removes the provision that allows an employer to require an employee to use up to two weeks of vacation time before they can access PFL benefits.

I am a strong advocate for and believe in supporting individuals to care for family members or bond with a new child and have worked to expand access to the Disability Insurance (DI) and PFL programs. In 2019, I signed SB 83 which extended the maximum duration of PFL benefits from six to eight weeks. And in 2022, I signed SB 951, which, beginning in 2025, will permanently increase the wage replacement rate for these programs to 70-90 percent based on the individual's wages. This is significant progress, and I am proud of the advancements we have made in collaboration with the Legislature. This bill, however, would create pressure on the DI Trust Fund's solvency and adequacy resulting in higher disability contributions paid by employees. In addition, it contains implementation costs not accounted for in the annual budget process.

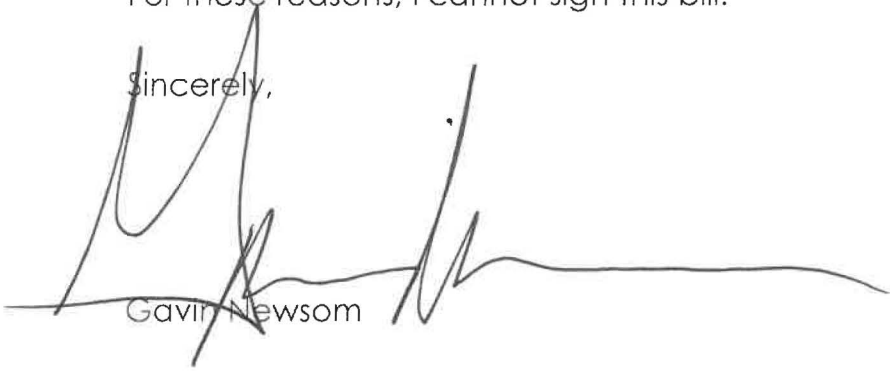
In partnership with the Legislature, we enacted a budget that closed a shortfall of more than \$30 billion through balanced solutions that avoided deep program cuts and protected education, health care, climate, public safety, and social service programs that are relied on by millions of Californians. This year, however, the Legislature sent me bills outside of this budget process that, if all enacted,

would add nearly \$19 billion of unaccounted costs in the budget, of which \$11 billion would be ongoing.

With our state facing continuing economic risk and revenue uncertainty, it is important to remain disciplined in considering bills with significant fiscal implications, such as this measure.

For these reasons, I cannot sign this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Gavin Newsom", written over a horizontal line. The signature is stylized and somewhat cursive.

Gavin Newsom