



OFFICE OF THE GOVERNOR

OCT 07 2023

To the Members of the California State Senate:

I am returning Senate Bill 433 without my signature.

This bill requires an impartial third-party hearing officer to hear disciplinary appeals of permanent classified personnel at school or community college nonmerit districts. This bill also requires the district to pay for the third-party hearing officer, and for the third-party hearing officer to be jointly selected by the district and the classified employee from a list of arbitrators, unless the parties agree otherwise.

Under the status quo for certificated employees, the district absorbs the full cost of appeals hearings if the employee prevails. If it is determined that the certificated employee should be dismissed or suspended, the cost is shared equally with the State and the district. This bill for classified employees requires districts to bear the full costs of a disciplinary hearing before an arbitrator, no matter the outcome. This could increase the number of appeals and would create significant costs for the State and must be considered in the annual budget in the context of all state funding priorities.

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 when 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". The signature is stylized and fluid, with a long horizontal stroke extending to the right. It is positioned over the printed name "Gavin Newsom".

Gavin Newsom