



OFFICE OF THE GOVERNOR

OCT 13 2025

To the Members of the California State Senate:

I am returning Senate Bill 414 without my signature.

This bill makes changes to the oversight, auditing, and funding systems for nonclassroom-based (NCB) charter schools, expands local educational agencies' auditing procedures, and establishes a new Office of the Education Inspector General.

In the wake of several high-profile cases of fraud by NCB charter schools, in partnership with the Legislature, we charged the Legislative Analyst's Office and the Fiscal Crisis Management and Assistance Team with studying ways to improve oversight and accountability, and to provide policymakers with recommendations to address those issues.

I deeply appreciate the efforts of the author and the negotiating parties to develop legislation that builds on these recommendations and the findings from the State Controller. However, this bill falls short. While the oversight and auditing provisions are meaningful, other sections are unworkable, would face legal challenges, and require hundreds of millions of dollars to implement. Additionally, provisions added late in the legislative process undermine important agreements my Administration made during my first term.

While I cannot sign this bill, I remain committed to improving oversight of our education system while preserving the ability of high-quality charter schools to continue educating the students they serve. As such, I am calling on all interested parties to work together in the coming months to find a swift resolution on remaining unresolved issues, so that follow-up legislation can be introduced and passed when the Legislature returns early next year. This legislation must

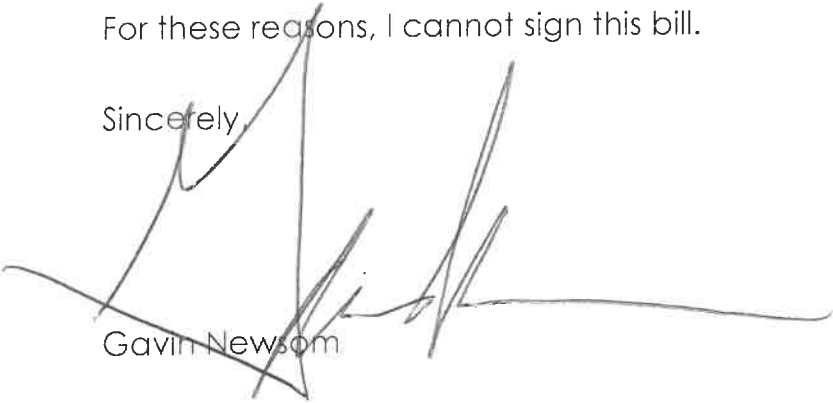


ensure that public funds are properly utilized, address fraud and malfeasance, improve accountability and oversight, and acknowledge our fiscal reality to allow for successful implementation.

In partnership with the Legislature this year, my Administration has enacted a balanced budget that recognizes the challenging fiscal landscape our state faces while maintaining our commitment to working families and our most vulnerable communities. With significant fiscal pressures and the federal government's hostile economic policies, it is vital that we remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.

For these reasons, I cannot sign this bill.

Sincerely,



Gavin Newsom