

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 494 (Cortese) – As Amended July 10, 2025

Policy Committee:	Public Employment and Retirement	Vote:	5 - 0
	Higher Education		6 - 3

Urgency: No State Mandated Local Program: Yes Reimbursable: Yes

SUMMARY:

This bill provides an appeal process for specified disciplinary actions for classified employees at non-merit school districts and requires administrative law judge (ALJ) oversight of disciplinary action hearings for classified staff at non-merit community college districts (CCDs).

FISCAL EFFECT:

Ongoing Proposition 98 General Fund costs of an unknown but likely significant amount, potentially in the hundreds of thousands to millions of dollars annually, for non-merit school districts and CCDs (districts) collectively statewide. Annual costs would fluctuate depending upon the number of proceedings required in any given year, however, such hearings typically average in the low tens of thousands of dollars each, with more complex cases ranging significantly higher, up to approximately \$100,000 on an annual basis, and the bill requires districts pay for appeal hearings. These costs also do not include the cost of employee and union attorneys, which districts must pay if they lose. Of the 73 CCDs, all but five are non-merit districts, and of the over 1,000 school districts and county offices of education, all but 88 are non-merit districts.

COMMENTS:

1) **Purpose.** According to the author's office:

Classified employees are the lifeblood of a school — these employees drive our school buses, prepare and serve meals to children, and carry out essential office functions. They deserve the same due process rights as teachers. SB 494 promotes a more fair and equitable discipline system. Having administrative law judges arbitrate over disciplinary actions will protect the rights and liberties of classified school staff.

2) **Background. Merit and Non-Merit Districts.** Existing law allows a school district or CCD to establish a personnel commission as an independent board separate from the district's leadership structure, with districts adopting this structure known as merit districts. The personnel commission's primary purpose is to oversee the district and each campus of the district's merit system for classified employees and to ensure fair and objective treatment of all applicants and employees. A merit system provides for a set of rules and procedures governing the selection, promotion, retention, and discipline of classified staff in order to

avoid favoritism or prejudice. Among other responsibilities, the personnel commission is responsible for classifying and reclassifying positions and presides over appeal hearings for disciplinary actions taken against classified staff. School districts and CCDs may determine which position classifications are included within the classified designation but it typically includes custodians, bus drivers, educational center assistants, student support specialists, and financial aid supervisors.

The vast majority of both school districts and CCDs are non-merit districts, meaning they do not have an established personnel commission. Such districts must abide by a set of requirements in current law governing disciplinary actions taken against classified employees, most of which provide a significant level of discretion to the district's collective bargaining (CBA) process to determine adjudication of such cases. For example, under current law a district must provide written notice to the employee of the specific charges, including a notice of the employee's right to a hearing (if requested within five days of receiving the notice), and the hearing must be conducted by the district's governing board or a third party officer. This bill extends the timeline that an employee of a school district or CCD may request a hearing from five days to 30 and, for school districts, establishes an additional appeal process overseen by an ALJ or according to the terms of the CBA. For CCDs, the bill modifies the existing initial hearing process to be overseen by an ALJ or the terms and conditions of the CBA.

Potential Change Relative to Current Practice. According to the Assembly Committee on Higher Education's analysis, of the CCD CBAs they reviewed:

Roughly half of the CCDs reviewed delegated the final decision to a neutral third party. SB 494 (Cortese) empowers other districts to follow suit by introducing a binary requirement; either a district will collectively bargain the disciplinary proceedings or an administrative law judge will preside over the hearing.

However, for non-merit districts, the bill's expansion of employee appeal rights and disciplinary action hearing proceeding requirements on districts, may represent significant cost exposure relative to current law requirements. In opposition, the California School Boards Association writes the following:

This measure removes the authority of a school district and their duly elected governing board to render personnel decisions concerning classified staff. This is contrary to the spirit of local control and removes yet another layer of locally elected and governance authority and delegates that authority to an unelected entity. It would also make the decision of the ALJ final, thus further removing the authority of the school district and county board of education to determine whether the staff should or should not be retained. In doing so, SB 494 would establish a "one-size fits all" approach, creating a blanket requirement for many disciplinary matters and increasing the number of appeals that will occur at the local level regardless of the merits of the case.

- 3) **Prior Legislation.** SB 433 (Cortese), of the 2023-24 Legislative Session, would have established a disciplinary proceeding for classified staff at a district that included a hearing with an impartial third-party officer. Governor Newsom vetoed the bill, citing concerns with

the increased liability for districts imposed by the bill amidst ongoing revenue uncertainty with the state budget.

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