



Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
June 15, 2022

AGENDA ITEM:

**State Association of County Retirement Systems Legislative Update –
June 2022**

THE BOARD OF RETIREMENT hereby accepts the recommendation of staff to receive and file the State Association of County Retirement Systems Legislative Update for June 2022.

I HEREBY CERTIFY that the above order was passed and adopted on June 15, 2022 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

Richard B. Fowler II
Board President

Eric Stern
Chief Executive Officer and
Board Secretary



June 2, 2022

TO: State Association of County Retirement Systems
FROM: Edelstein Gilbert Robson & Smith, LLC
RE: **Legislative Update – June 2022**

General Update

The Legislature passed the House of Origin deadline on May 27, marking the halfway point for the 2022 legislative year. Active bills are now in their second house – Assembly bills in the Senate and Senate bills in the Assembly. Committee hearings will ramp up again until July 1, the policy committee deadline. Starting July 1, the legislature will adjourn for summer recess until August 1, leaving just one month for bills to pass out of fiscal committee and off the floor of their second house before session adjourns on August 31.

On the day of the House of Origin deadline, Assemblymember Robert Rivas announced that he has garnered enough support within the Democratic Caucus to become the next Speaker of the Assembly. On Monday, after a 6-hour caucus that abruptly cut Assembly Floor session short, the two released a joint statement where the Speaker acknowledged Assemblymember Rivas has the votes within the Caucus, and Assemblymember Rivas acknowledged that the majority of the caucus wants the current Speaker to remain in his position until the end of this session. It remains to be seen how this dynamic will continue to play out.

SACRS Sponsored Bills

AB 1824 (Committee on Public Employment and Retirement) – Committee Cleanup Bill. The bill passed out of the Assembly Public Employment and Retirement Committee, the Assembly Appropriations Committee and off the Assembly Floor. The bill is now in the Senate.

AB 1971 (Cooper) – CERL Policy Bill. The Legislative Committee Co-Chairs and SACRS lobbying team held a series of discussions with various stakeholders including SEIU, the California Professional Firefighters, and the Police Officers Research Association of CA (PORAC) on the bill that led to the April 18 amendments. Those amendments removed the following sections of the bill:

- **Section 1 - BOS Approval of Regulations.** This section would have removed the requirement that Board of Retirement regulations be approved by the Board of Supervisors.

- **Section 6 - Disability Reinstatement.** In scenarios where the employer does not take the employee back after it is found that the employee is no longer incapacitated, this section would have converted the disability retirement into a service retirement without adjusting the benefit amount.
- **Section 8 - Concurrent Disability Retirement.** This section would have clarified that CERL systems must reduce a member's allowance as much as necessary so that the member does not receive a combined allowance that is greater than the amount they would have received had all the member's service been with one entity.

The bill passed out of the Assembly and is now in the Senate.

Other Bills of Interest

SB 1328 (McGuire) – Divestment. This bill would prohibit public retirement boards from investing public employee retirement funds in a company with business operations in Russia or Belarus, among other requirements.

SACRS submitted a letter of concern on this bill.

The bill was amended as it passed out of the Senate Appropriations Committee. The amendments narrow the bill substantially, including but not limited to narrowing restrictions on pension investments to companies domiciled in Russia and Belarus, supplying military equipment to Russia and Belarus or companies complicit with the invasion and eliminating requirements that pension funds survey all portfolio companies for compliance with the divestment requirements.

The bill is now in the Assembly.

AB 2493 (Chen) – Disallowed Compensation. As initially amended, this bill would have allowed OCERS to adjust retirement payments based on disallowed compensation for peace officers and firefighters under certain circumstances. The bill was recently amended to apply to all CERL systems and passed out of policy committee in April.

Several large counties have taken note of the bill and are concerned with the costs that it would impose. It is our understanding that CSAC is going to oppose the bill in response.

The bill is now in the Senate.

AB 1944 (Lee) – Public Meetings. This bill would allow legislative body members to use teleconferencing without identifying each teleconference location in the notice/agenda and without making each teleconference location accessible to the public.

Similar to AB 2449 below, AB 1944 was recently amended to require that at least a quorum of the legislative body participates from a single physical location that is noticed on the agenda and open to the public within the agency's jurisdiction. As discussed in our last report, the Chair of the Assembly Local Government Committee expressed

concerns with how broad and permissive both this bill and AB 2449 were in prior form, so it is likely that the recent amendments are narrowing the flexibilities provided by the bill in response.

SACRS is supporting this bill. It recently passed off the Assembly Floor 44-12 and is now in the Senate.

AB 2449 (Rubio) – Public Meetings. This bill would allow a local agency to use teleconferencing for a public meeting if at least a quorum of members of the legislative body participate in person from a single location that is identified on the agenda and is open to the public within the local agency's jurisdiction, among other requirements.

Recent amendments add more guardrails for when a board member can participate remotely and add a sunset date, among other changes.

The bill passed out of the Assembly 65-4 and is now in the Senate.

Compensation Earnable Bills – Last session, two bills were introduced relating to compensation earnable - **AB 498 (Quirk-Silva) and AB 826 (Irwin)**. As reported in previous updates, AB 826 was gutted and amended in June of 2021 with the CERL provisions currently contained in the bill. The bill was placed on the Senate Inactive File in September, where it remains. AB 498 (Quirk Silva) was similarly amended at the end of session last year in September. We have reached out to these offices to inquire about whether these bills will be further amended or brought up for votes later this year. Neither office had any updates at this time. We will periodically check back for further updates.