



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

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### Agenda Item 6

**MEETING DATE:** June 21, 2023

**SUBJECT:** State Association of County Retirement Systems Legislative Update—June 2023

**SUBMITTED FOR:**  Consent  Deliberation and Action  Receive and File

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#### RECOMMENDATION

Receive and file the State Association of County Retirement Systems (SACRS) Legislative Update for June 2023.

#### PURPOSE

This item complies with the Strategic Management Plan goal of stakeholder communication and outreach by participating in the legislative process to monitor changes in state law affecting public pension plans.

#### DISCUSSION

The attached report highlights recent legislative activity affecting California public pension plans and is produced by SACRS' legislative advocates at Edelstein Gilbert Robson & Smith, LLC.

SACRS is composed of the 20 systems operating under the County Employees' Retirement Law. The association's mission is to provide education and analysis to trustees and staff so that they can be more effective stewards of their systems' pension plans.

#### ATTACHMENTS

- Board Order
- SACRS Legislative Update—June 2023

Prepared by:

/S/

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Eric Stern  
Chief Executive Officer



# Retirement Board Order

## Sacramento County Employees' Retirement System

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Before the Board of Retirement  
June 21, 2023

AGENDA ITEM:

### State Association of County Retirement Systems Legislative Update— June 2023

THE BOARD OF RETIREMENT hereby approves Staff's recommendation to receive and file the State Association of County Retirement Systems (SACRS) Legislative Update for June 2023.

I HEREBY CERTIFY that the above order was passed and adopted on June 21, 2023 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES:  
(Present but not voting)

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Keith DeVore  
Board President

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Eric Stern  
Chief Executive Officer and  
Board Secretary



June 2, 2023

TO: State Association of County Retirement Systems

FROM: Edelman Gilbert Robson & Smith, LLC

RE: **Legislative Update – June 2023**

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### **General Update**

The Legislature wrapped up two major legislative deadlines in the last few weeks.

May 19<sup>th</sup> was the fiscal committee deadline, where fiscal bills must be heard in the Appropriations Committee in the first house before going to a vote on the floor. On May 18, the Appropriations Committees in both houses held their “suspense hearing,” where they dispensed hundreds of bills on the “suspense file” at once. It is at this point in the legislative process where we see the number of active bills moving through the legislative process decrease, and this year was no exception with many bills being held in the Committee.

Today was another legislative milestone - the House of Origin Deadline, where bills must be voted on the Floor of the House of Origin. Those bills that move forward must have a policy committee hearing in the second house before the summer recess which begins July 14.

**Budget Update.** The Governor released the May Revision of the 2023-23 Budget on May 12. As anticipated, the May Revision projects an increased deficit of \$31.5 billion, up from the figure in January. Given the delayed tax filing deadline, the revenue picture will remain largely uncertain.

The Governor and Legislature must agree on a budget by the June 15 constitutional deadline. Given the revenue uncertainty, we anticipate budget discussions will continue after the budget is formally adopted.

### **Legislation of Interest**

**SB 885 (Committee on Labor, Public Employment and Retirement).** This is the annual committee omnibus bill that contains various cleanup provisions for CalSTRS, CalPERS and CERL systems. The amendments to the CERL make non-substantive,

technical changes as well as conform provisions on Required Minimum Distributions to federal law under the SECURE ACT 2.0 by referencing the federal law instead of a specific age.

The bill is now in the Senate and will be set for a hearing soon.

**AB 1020 (Grayson) – CERL Disability Presumptions.** This bill would establish several new disability retirement presumptions for various injuries and illnesses in the CERL, similar to provisions that exist in the Labor Code. The bill is sponsored by the California Professional Firefighters. The author and sponsor agreed to technical clarifications proposed by SACRS that were amended into the bill this week.

The bill is in the Senate awaiting its policy committee hearing.

**AB 1637 (Irwin) - Local Government Websites and Email Addresses.** This bill requires cities and counties to use a ".gov" or ".ca.gov" domain for websites and email addresses. The bill was recently amended out of the Assembly Appropriations Committee to narrow the bill to cities and counties as well as push out the implementation dates. The previous version of the bill would have applied to all local agencies.

The bill passed out of the Assembly this week and will go to the Senate.

**SB 252 (Gonzalez) – PERS and STRS Fossil Fuel Divestment.** Senator Gonzalez reintroduced SB 1173 from the last legislative session. Like last year, this bill applies to CalPERS and CalSTRS and prohibits the retirement systems from renewing or making new investments in fossil fuel companies as well as requiring them to liquidate existing investments by July 1, 2030, among other requirements. The bill was introduced as part of a package of climate legislation.

Despite opposition from CalPERS and CalSTRS, SB 252 passed the Senate and is now in the Assembly awaiting a hearing.

**SB 660 (Alvarado-Gil) - CA Public Retirement System Agency Cost and Liability Panel.** This bill would establish the CA Public Retirement System Agency Cost and Liability Panel that would be tasked to determine how costs and unfunded liability are apportioned to a public agency when a member changes employers within the same retirement system or concurrently retires with two or more systems that have entered into a reciprocity agreement. The panel would include a member from the State Association of County Retirement Systems (SACRS).

This bill was held in the Senate Appropriations Committee so it will not move further.

## **Public Meeting Bills**

**AB 557 (Hart) - Brown Act Emergency Teleconferencing Sunset Extension.** This bill would remove the sunset in current law to allow teleconferencing during certain emergencies as well as increase the time period when the Board must renew the findings of an emergency or need for social distancing from 30 days to 45 days.

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

**SB 537 (Becker) - Teleconference Flexibilities.** This bill would allow expanded teleconference flexibilities for multijurisdictional, cross county legislative bodies if certain requirements are met, along with adding to the list of circumstances where a member is permitted to participate remotely.

This bill passed out of the Senate Governance and Finance Committee in April after being narrowed considerably, including allowing remote participation only if the meeting location is more than 40 miles one way from the member's home, among other requirements that limit the flexibilities in the bill. The new amendments make the bill less useful for many local government entities who previously supported the bill.

We have met with the author's staff and proposed amendments to clarify that local retirement systems are covered by the bill.

The bill passed out of the Senate this week and will go to the Assembly.