

Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Ag	en	da	Item	8
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MEETING DATE: October 19, 2022

SUBJECT: State Association of County Retirement Systems

Legislative Update—October 2022

SUBMITTED FOR: X Consent ___ and Action ___ and File

RECOMMENDATION

Staff recommends that the Board receive and file the State Association of County Retirement Systems Legislative Update for October 2022.

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—October 2022

Prepared by:	
/S/	
Eric Stern	
Chief Executive Officer	



Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement October 19, 2022

AGENDA ITEM:				
State Association of County Retirement Systems Legislative Update— October 2022				
THE BOARD OF RETIREMENT hereby acc Staff to receive and file the State Association of Legislative Update.	•			
I HEREBY CERTIFY that the above order volume of the I	•			
AYES:				
NOES:				
ABSENT:				
ABSTAIN:				
ALTERNATES: (Present but not voting)				
Keith DeVore Board President	Eric Stern Chief Executive Officer and Board Secretary			



Donald B. Gilbert Michael R. Robson Trent E. Smith Jason D. Ikerd Associate Bridget E. McGowan Associate

October 6, 2022

TO: State Association of County Retirement Systems

FROM: Edelstein Gilbert Robson & Smith, LLC

RE: Legislative Update – October 2022

General Update

The Legislature adjourned for final recess on August 31. Since then, the Governor has been working his way through all the bills sent to his desk in the final weeks of session.

The deadline for the Governor to sign or veto bills was September 30. This year, he signed just under 1,000 bills and vetoed 169 of them (about 14.5 percent of bills sent to his desk). This is a higher veto rate than the last two years, and it is worth noting that many of the bills he vetoed were done so based on cost concerns. Recognizing that the economy is slowing, the Governor vetoed many bills to avoid the long-term financial obligations that recurring expenditures bring to the state budget.

Aside from an organizational day of session in early December, legislators will remain in their districts for the rest of the year, focusing on the upcoming election and other district activities.

SACRS Sponsored Bills

Both SACRS sponsored bills passed out of the Legislature and were signed by the Governor. These include **AB 1824 (Committee on Public Employment and Retirement)** – Committee Cleanup Bill and **AB 1971 (Cooper)** – CERL Policy Bill.

Other Bills of Interest

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 later amended to apply to all CERL systems.

While SACRS did not take a position, we are aware that some systems submitted their own letters and shared concerns with the Legislature.

As noted in our last update, the bill was not brought up for a final vote and is dead for the year.

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. The last amendments to the bill added more guardrails for when a board member can participate remotely and added a sunset date, among other changes.

The Governor signed this bill on September 13.

AB 826 (Irwin) – Compensation Earnable. As reported in previous updates, AB 826 was gutted and amended in June of 2021 with the CERL provisions relating to compensation earnable.

AB 826 was amended and pulled off the Inactive File on August 3. It passed out of the Legislature but was vetoed by the Governor on September 29. In his veto message, the Governor said he is sympathetic to the issue, but the bill would incentivize PEPRA noncompliance and "attempt to circumvent recent court decisions, undermine the intent of the PEPRA, and expose the local governments to increased costs and litigation."