



Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
August 16, 2023

AGENDA ITEM:

**State Association of County Retirement Systems Legislative Update—
August 2023**

THE BOARD OF RETIREMENT hereby approves Staff's recommendation to receive and file the State Association of County Retirement Systems Legislative Update – August 2023.

I HEREBY CERTIFY that the above order was passed and adopted on August 16, 2023 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES:
(Present but not voting)

Board President

Eric Stern
Chief Executive Officer and
Board Secretary



August 1, 2023

TO: State Association of County Retirement Systems

FROM: Edelman Gilbert Robson & Smith, LLC

RE: **Legislative Update – August 2023**

General Update

We are approaching the closing weeks of the first year of a two-year session. The Legislature recently wrapped up with the second policy committee deadline in which bills were required to pass out of policy committees in the second house by July 14. The Legislature is now adjourned for summer recess until August 14.

When they return, the Legislature must meet the fiscal committee deadline on September 1, where all fiscal bills must pass out of the Appropriations Committee in the second house in order to keep moving. After that, the Legislature will have two weeks to pass the remaining bills off the floor in the second house and in many cases, the floor of the house of origin for concurrence, before session adjourns on September 14.

After Session adjourns on September 14, the Governor will have until October 14 to sign the bills on his desk. The Legislature will remain on recess until Session reconvenes on January 3.

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 back in the Senate for a final concurrence vote before going to the Governor for his consideration.

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 in June. CSAC remains opposed to the bill.

The bill is pending a vote on the Senate Floor.

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 was amended again in late June to push out the implementation date until 2029 after passing out of the Senate Governance and Finance Committee. It is now on the Suspense File in the Senate Appropriations Committee which we anticipate being heard on August 31.

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.

The bill was made a two-year bill, but the author has committed to continuing to work on the issue in the future.

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 two policy committees in the Senate with clarifying amendments and is now on the Senate Floor.

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. These amendments made the bill less useful for many local government entities who previously supported the bill.

We have met with the author's staff and requested amendments to clarify that local retirement systems are covered by the bill, but because the bill was eventually narrowed in scope, it is unlikely the author will accept our language.

This bill passed out of the Assembly Local Government Committee on July 12 with amendments that further narrow the scope of the flexibility in the bill, among other changes. The amendment language is not yet in print, but we will share it with the Legislative Committee when it is available.