



San Bernardino County Employees'
Retirement Association

MEMORANDUM

DATE June 5, 2025
FROM **BARBARA M. A. HANNAH**
Chief Counsel
PHONE (909) 885-7980, Ext. 1351
FAX (909) 885-7446
EMAIL bhannah@sbcera.org
TO **SCOTT VANHORNE**
Government Affairs Manager
BOARD OF TRUSTEES
San Bernardino County Employees'
Retirement Association

SUBJECT 2025 – 2026 - CALIFORNIA LEGISLATION

Updated information reflected in [blue](#). This is the first year of the 2025-2026 Legislative Term. Bills listed as Inactive/Dead will **not** appear in future updates.

2025-2026 Legislative Term Update

Below are the bills we are monitoring that may impact SBCERA as a public retirement system and/or as an employer. A summary is provided for each bill, as well as a position recommendation in line with SBCERA's Legislative Principles and Guidelines.

A. County Employees Retirement Law and PEPRA

Position Recommendation	Bill and Summary
None	SB 853 (Senate Pension Committee) This omnibus bill includes three proposed changes to County Employee Retirement Law (CERL) that are sponsored by the State Association of County Retirement Systems (SACRS). It also includes changes to Teachers Retirement Law (TRL) and Public Employees' Retirement Law (PERL).

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Position Recommendation	Bill and Summary
	<p>Below is a summary of the proposed changes to the CERL.</p> <p>The bill would amend Government Code section 31470.14 to clarify that any enhancement to safety service after January 1, 2013, is subject to Government Code section 7522.44, which says the enhancement cannot be applied to service before the operative date of the enhancement.</p> <p>It would amend Government Code section 31462.05 to clarify that CERL systems base pensionable compensation for a PEPRA member, who has absences in their final three-year period, on the pensionable compensation of the position rather than their actual earnings.</p> <p>It would amend the return-to-work provision SACRS requested from the Legislature in 2024 to conform them to CERL system operations. The prior language was taken directly from the PERL section that applies to CalPERS, which handles returning retirees differently than CERL systems.</p> <ul style="list-style-type: none">• Employers must report returning retirees in the “format determined by the system.” The law currently says “enroll” since CalPERS requires employers to enroll returning retirees in the CalPERS pension management system. Some CERL systems expressed concerns about the use of the term “enroll” since they do not enroll returning retirees into their pension systems.• Employers who do not report the pay rate and hours worked of returning retirees within a time period determined by a CERL system may be fined \$200. The law currently says employers must report this information within 30 days following the last pay period a retiree worked. <p>SBCERA policy requires employers to report the pay rate of a returning retiree before the retiree commences work. Additionally, SBCERA participating employers are required to provide a list of all returning retirees working along with their pay rates and hours worked within ten days after the end of each fiscal year. Additionally, employers may be fined if they do not notify SBCERA within two business days of discovering a retiree has exceeded the 960-hour work limit.</p>

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Position Recommendation	Bill and Summary
	<p>Status: Awaiting hearing in Assembly PER Committee</p> <p>Impact:</p> <p>Sponsor: SACRS, CalPERS, STRS</p>
None	<p>AB 1383 (McKinnor)</p> <p>This bill would raise the compensation limit for PEPRA members to the limit in place for non-PEPRA members by tying the limit to federal tax law rather than Section 430(b) of Title 42 of the United States Code, which establishes the contribution and benefit base for Social Security. The PEPRA compensation limit is adjusted annually based on the CPI for All Urban Consumers.</p> <p>The California Actuarial Advisory Panel computes an advisory compensation limit for PEPRA members annually. Most retirement systems -- including SBCERA -- use the compensation limit recommended by the panel.</p> <p>In addition to raising the pensionable compensation limit for PEPRA members to that of non-PEPRA members this bill would:</p> <ul style="list-style-type: none">• Create new benefit formulas for safety members: 2.5% at age 55, 2.7% at age 55, or 3% at age 55.• Allow unions to bargain for employer pickups <p>AB 1383 has been flagged as a fiscal bill by Judicial Counsel because of the potential cost increases for the State, so it will require hearings by the Appropriations Committees in both houses.</p> <p>Status: Made a two-year bill during Suspense Hearing</p> <p>Impact:</p> <p>Sponsor: California Professional Firefighters</p>

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Position Recommendation	Bill and Summary
None	<p>SB 301 (Grayson)</p> <p>This bill would prohibit a “city or district” that contracts with a CERL system from amending their contract with the system to exclude some but not all employees from the pension system.</p> <p>Status: Approved by Senate; Moved to Assembly</p> <p>Impact: None</p> <p>Sponsor: California Professional Firefighters</p>
None	<p>AB 1323 – Public retirement (Chen)</p> <p>This bill would amend CERL to allow OCERS Board of Retirement members to receive up to \$320 per meeting. Existing law limits the payment to \$100.</p> <p>Status: Pulled from 4/23 committee hearing</p> <p>Impact:</p> <p>Sponsor:</p>
None	<p>AB 1439 - Public retirement systems: development projects: labor standards (Garcia)</p> <p>At the request of the author, this bill has been removed from consideration during this half of the 2025-26 legislative session.</p> <p>This bill would prohibit the board of a public pension or retirement system from making any additional or new investments of public employee pension or retirement funds in development projects in California or providing financing for those projects with public employee pension or retirement funds unless those projects include labor standards protections.</p> <p>Status: Pulled from consideration in 2025</p> <p>Impact: None</p>

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Position Recommendation	Bill and Summary
	Sponsor:

B. Public Employment

Position Recommendation	Bill and Summary
None	<p>AB 814 – Personal Income Tax Law: exclusions: law enforcement retirement (Shiavo)</p> <p>This bill would exempt peace officers from having to pay state income tax on certain qualified payments, including what they receive from their pension.</p> <p>Status: Stuck in suspense</p> <p>Impact: None</p> <p>Sponsor:</p>
None	<p>SB 7 – Employment: automated decision systems (Bryan and Elharwary)</p> <p>This bill would require employers who use AI to make hiring decisions to notify workers that they use AI for this purpose. Additionally, it would require employers to notify workers when an AI employment-related decision is made that affects them.</p> <p>Status: Awaiting Third Reading</p> <p>Impact: None</p> <p>Sponsor: California Federation of Labor Unions, AFL-CIO</p>

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Position Recommendation	Bill and Summary
None	<p>SB 827 Local agency officials: training (Gonzalez)</p> <p>This bill would add “financial management practices” to the ethics training requirement for local officials under Government Code sections 53234-53235.2.</p> <p>It would expand the definition of who must complete the training to include any managerial-level employee with responsibility over the agency’s finances.</p> <p>It would also require the training to take place within six months of the person starting rather than within the first year. The bill would also require a local agency to post the training records on its website.</p> <p>It would exempt local officials who are already required by law to complete regular financial training, e.g., county auditors.</p> <p>Status: Awaiting Third Reading in Senate</p> <p>Impact: Yes</p> <p>Sponsor:</p>

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C. Local Government (including Brown Act, Public Records Act, & Conflict of Interest

Position Recommendation	Bill and Summary
None	<p>SB 239—Open meetings: teleconferencing: subsidiary body (Arreguín)</p> <p>This bill would empower subsidiary, elected public bodies to conduct meetings via teleconference with certain restrictions.</p> <p>Status: Senate Third Reading</p> <p>Impact:</p> <p>Sponsor:</p>
None	<p>SB 707—Open meetings: meeting and teleconference requirements (Durazo)</p> <p>This would extend the authorization for public representatives to teleconference into a public meeting under emergency circumstances to January 2030. It currently expires January 2026.</p> <p>In addition, it would allow members of local agency’s board to participate remotely in public meetings during non-emergencies without disclosing where they are participating from as long as the legislative body provides a virtual or telephonic way for the public to comment at meetings.</p> <p>The bill would require legislative bodies to provide copies of the Brown Act to each member of the legislative body. The law currently says legislative bodies may require a copy be provided to members.</p> <p>Currently, “meeting” is defined solely as any congregation of a majority of the members of a legislative body at the same time and location, including teleconference location as permitted by Government Code section 54953, to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the legislative body.</p>

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Position Recommendation	Bill and Summary
	<p>This bill would expand the definition of a “meeting” to mean <u>any</u> conversation between members of the legislative body about boundary lines of the districts of the legislative body, compensation of members of the legislative body or a local agency executive (as defined in subdivision (d) of Government Code section 3511.1), or the appointment, employment, evaluation of performance, discipline, or dismissal of a public employee. Note this provision states “members” not “majority of members.”</p> <p>Currently, legislative bodies are required to issue a public report when they take action to appoint, employ, dismiss, accept the resignation of, or otherwise affect the employment status of a public employee in closed session pursuant to Government Code section 54957.</p> <p>This bill would require this report to include an estimate of the fiscal impact of the legislative body’s action.</p> <p>This bill would require a legislative body that is considering the appointment, employment, evaluation of performance, discipline, or dismissal of a public employee or hearing complaints or charges brought against the employee by another person or employee during a <u>special meeting</u> to do the following:</p> <ul style="list-style-type: none">• Four-fifths of the legislative body must vote to proceed with the meeting.• Discussions related to the topics described in the subdivision are held during open session. <p>Status: Awaiting third reading in Senate</p> <p>Impact: SBCERA Trustees would be allowed to participate in meetings remotely without disclosing the address in the meeting minutes. The location also does not have to be accessible to the public. SBCERA may need to amend policy to correspond with law changes.</p> <p>Sponsor:</p>

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Position Recommendation	Bill and Summary
None	<p>AB 370 California Public Records Act: cyberattacks (Carrillo)</p> <p>Makes accommodations for PRA requests when a public agency has been the victim of a cyber-attack.</p> <p>Status: Senate Rules</p> <p>Impact: Potentially</p> <p>Sponsor: City of Hesperia</p>
None	<p>AB 1029 Statements of financial interest: digital financial assets (McNerney)</p> <p>This bill would expand the definition of “investment” for purposes of the Political Reform Act of 1974 to include a digital financial asset.</p> <p>Status: Assigned to Senate Election and Constitutional Amendments Committee</p> <p>Impact: SBCERA may need to amend internal codes to correspond with law changes.</p> <p>Sponsor:</p>

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D. Other Bills of Interest Re CalPERS, STRS, and JRS I and II

Position Recommendation	Bill and Summary
	<p>ACA 2— Legislative Diversification Act (Jackson)</p> <p>This is a proposed constitutional amendment to create a new pension system for state lawmakers. Members would be eligible for a pension after 10 years of service. If the pension system is created, members could seek reciprocity with other public retirement systems if they serve fewer than 10 years.</p> <p>The California Constitution has prohibited lawmakers from the state pension system since 1990. The author of the current bill contends allowing lawmakers to collect a pension will increase diversity in the Legislature.</p> <p>This bill must pass with a 2/3s majority in both houses before it can be placed on the ballot where voters will have the final say.</p> <p>Status: Dead</p> <p>Impact: The bill would create a new retirement system whose members could seek reciprocity with SBCERA.</p> <p>Sponsor:</p>

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Position Recommendation	Bill and Summary
None	<p>SB 443— JPA Tier Preservation (Rubio)</p> <p>Existing law authorizes a joint powers authority to offer defined benefit plans or formulas that are not PEPRA plans or formulas, provided that the plans or formulas were those the employees received prior to the creation of the authority, the employees are not new members under PEPRA, and they are employed by the authority within 180 days, as specified.</p> <p>This bill would also authorize a joint powers authority to offer those defined benefit plans or formulas to a member agency that is a non-founding member of the joint powers authority, for employees who are not new members under PEPRA and are employed by the joint powers authority within 180 days of the agency becoming a member agency.</p> <p>Status: Awaiting Third Reading Senate</p> <p>Impact: None</p> <p>Sponsor: City of La Verne and City of Covina</p>

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Position Recommendation	Bill and Summary
None	<p>AB 1054— Public employees’ retirement (Gipson)</p> <p>This bill would establish the Deferred Retirement Option Program (DROP) as a voluntary program within PERS for employees of State Bargaining Units 5 (Highway Patrol) and 8 (Firefighters). The law also requires the DROP programs to be cost neutral or to save money.</p> <p>Status: Failed to meet policy committee deadline</p> <p>Impact: None</p> <p>Sponsor:</p>
None	<p>AB 569— California Public Employees’ Pension Reform Act of 2013: exceptions: supplemental defined benefit plans (Stefani)</p> <p>This bill would allow non-state public employers to bargain over contributions for supplemental retirement benefits administered by or on behalf of a union representing one or more of the public employer’s bargaining units.</p> <p>Status: Stuck in Suspense file</p> <p>Impact:</p> <p>Sponsor: California Teamsters Public Affairs Council</p>
None	<p>AB 1067— Public employees’ retirement: felony convictions (Quirk-Silva)</p> <p>This bill would require an employer to continue investigating an employee suspected of misconduct related to their job duties even if the employee retires before the investigation is completed. It would require the employer to report the crime to the appropriate law enforcement agency for prosecution if the investigation indicates the employee may be guilty of misconduct.</p>

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Position Recommendation	Bill and Summary
	<p>Status: Awaiting Third Reading</p> <p>Impact:</p> <p>Sponsor:</p>
None	<p>AB 1451— State Teachers’ Retirement System (Muratsuchi)</p> <p>Spot bill regarding STRS.</p> <p>Status:</p> <p>Impact:</p> <p>Sponsor:</p>
None	<p>SB 538—Public Employees’ Retirement System: teaching service (Dahle)</p> <p>This bill would authorize a PERS member providing services as a substitute teacher, as defined, under certain circumstances to elect to retain coverage under CalPERS rather than CalSTRS.</p> <p>Status: Failed to meet policy committee deadline</p> <p>Impact:</p> <p>Sponsor:</p>
None	<p>SB 711 Taxation Federal Conformity (McNerney)</p> <p>Among other things, this bill would apply the same tax exclusion provided by federal tax code for safety service-connected disability retirements to state tax code.</p> <p>Status: Approved in Senate; Moved to Assembly</p> <p>Impact:</p>

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Position Recommendation	Bill and Summary
	Sponsor: California Society of Enrolled Agents (Federally licensed tax professionals advocacy group)

End of Memo.

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