



San Bernardino County Employees' Retirement Association

MEMORANDUM

DATE March 7, 2024 PHONE (909) 885-7980, Ext. 1351
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TO BOARD OF TRUSTEES PRIVILEGED & CONFIDENTIAL
San Bernardino County Employees' Retirement Association

SUBJECT 2023 – 2024 - CALIFORNIA LEGISLATION

Updated information reflected in blue. This is the second year of the 2023-2024 Legislative Term. Bills listed as Inactive/Dead will not appear in future updates.

2023-2024 Legislative Term Update:

February 16, 2024 marked the last day for either house to introduce new bills for the 2023-2024 legislative term. In less than a month, the Legislature will be on spring recess beginning March 21, 2024 and reconvene on April 1, 2024. Thereafter, the Legislature will have April and May where committees will hear and report on the bills, as well as pass bills introduced in the respective houses.

State Association of County Retirement Systems Proposed Legislation Update

The four legislative proposals approved at the SACRS Fall Conference have been submitted to the legislature in two separate bills – AB 2474 and AB 2770.

AB 2474 introduced by Assemblyman Lackey (R-Palmdale) would:

- give CERL systems the option to provide benefits via pre-paid cards. (Some labor organizations have raised concerns about this subjecting member benefits to fraud. Bill may be amended to include fraud prevention measures.)
• allow CERL systems to deposit benefits into a living trust or income only trust at member or survivor's request. (Some CERL systems—including SBCERA—already allow this.)
• clarify that a system can recoup benefits paid to a retiree out of compliance with return-to-work rules. (Some labor groups and other interested parties would prefer this bill

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mirror the return-to-work rules in the Public Employees Retirement Law, which spells out specific consequences for retirees and employers, including reinstatement of the retiree and payment of employee and employer contributions.)

AB 2770, introduced by the Committee on Public Employment and Retirement, would:

- eliminate the return receipt requirement on certified mail sent to former CERL-system members who have refundable contributions.

The SACRS Legislative Committee briefly discussed AB 2284 introduced by Assemblyman Grayson (D-Concord). The bill would allow CERL systems that have not defined “grade” as it relates to compensation earnable to define grade as “a number of employees considered together because they share similarities in job duties, schedules, unit recruitment requirements, work location, collective bargaining unit, or other logical work-related grouping.”

If approved, the bill could restore pay precluded by PEPRA for Tier 1 members.

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ACTIVE BILLS

Below is a new format for reporting on bills being monitored that may have the potential to impact SBCERA as a public retirement system and an employer. For each bill, a brief summary is provided, as well as a position recommendation that will be in line with SBCERA's Legislative Principles and Guidelines. Staff held a meeting on February 5, 2024 and February 20, 2024 to discuss the proposed legislation, as well as recommend whether the Board take a support, oppose, amend, or neutral position/watch on pending legislation.

A. County Employees Retirement Law and PEPR

Position Recommendation	Bill and Summary
N/A	<p>AB 739 – Public Retirement Systems – Defined Benefit Plans: Funding (Lackey-R) The bill would revise the conditions for suspending contributions to a public retirement system defined benefit plan to increase the threshold percentage amount of plan funding to more than 130%. Currently, the law requires that funding is at 120% to suspend contributions.</p> <p>Status: Inactive/Dead pursuant to Article IV, Section 10 (c): Failed to pass house of origin by 01/31/24.</p> <p>Impact: None</p>
N/A	<p>SB 300 – Public Employees' Retirement – Fiscal Impact (Seyarto-R) The bill would require the Legislative Analyst to prepare a pension fiscal impact analysis on any measure introduced on or after January 1, 2024, that would require a public retirement system to take prescribed action, including divestiture of an existing investment.</p> <p>Status: Inactive/Dead pursuant to Article IV, Section 10 (c): Failed to pass house of origin by 01/31/24.</p> <p>Impact: None</p>

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Position Recommendation	Bill and Summary
Watch	<p>AB 2301 – Sacramento Area Sewer District Pension Protection Act of '24 (Nguyen-D)</p> <p>The bill would establish how the Sacramento Area Sewer District joins the Sacramento County Employees' Retirement Association.</p> <p>Status: Referred to Public Employment and Retirement Committee</p> <p>Impact: TBD</p>
Watch	<p>AB 2284 – CERL- Compensation (Grayson-D)</p> <p>The bill would allow CERL systems that have not defined “grade” as it relates to compensation earnable to define grade as “a number of employees considered together because they share similarities in job duties, schedules, unit recruitment requirements, work location, collective bargaining unit, or other logical work-related grouping.”</p> <p>Status: Referred to Public Employment and Retirement Committee</p> <p>Impact: Unknown</p>
Watch	<p>AB 2183 – Public Employees' Retirement Benefits - Final Compensation (Jones-Sawyer-D)</p> <p>As written, this bill changes “his or her” in the code section that defines final compensation to “the member’s.” This is likely a spot bill that will be amended.</p> <p>Status: May be heard in committee 03/09/24</p> <p>Impact: Unknown</p>
Neutral	<p>SB 1189 – CERL Ventura County Board of Retirement Hiring Authority (Limón-D)</p> <p>This bill would allow the Board of Retirement of VCERA to appoint a chief technology officer. Currently VCERA must go through the county’s Board of Supervisors to appoint someone to this position.</p> <p>Status: In Labor, Public Employment, and Retirement Committee, may be heard on or after 03/16/24</p> <p>Impact: None</p>

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Position Recommendation	Bill and Summary
Support if Amended	<p data-bbox="451 384 1377 415">AB 2474 – CERL Benefit Payments and Overpayments (Lackey-R)</p> <p data-bbox="451 457 1539 720">This bill would allow a CERL system to issue benefit payments to members via qualified pre-paid accounts, such as debit cards. It would also allow the deposit of retirement benefits into a living trust or income-only trust controlled by the member or survivor of a deceased member. Additionally, it would clarify that a member’s retirement allowance received in violation of return-to-work rules is an overpayment subject to collection by the retirement system.</p> <p data-bbox="451 762 1539 835">Status: In Public Employment, and Retirement Committee, may be heard on or after 03/15/24</p> <p data-bbox="451 877 748 909">Impact: Unknown</p>
Watch	<p data-bbox="451 921 1523 995">AB 2770 – CERL– Post Traumatic Stress Disorder (PTSD) Sunset Extension (Pension Committee Bill)</p> <p data-bbox="451 1037 1511 1184">This bill would extend the sunset date for PTSD as a disability presumption for safety members from January 1, 2025, to January 1, 2029. It would also remove the return receipt requirement for certified mail sent by a CERL system.</p> <p data-bbox="451 1226 959 1257">Status: Introduced on 02/15/24</p> <p data-bbox="451 1299 748 1331">Impact: Unknown</p>

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B. Public Employment

Position Recommendation	Bill and Summary
N/A	<p>AB 1530 –Communication with Exclusive Representatives (Ortega-D)</p> <p>The bill would require public employers to ensure recognized exclusive representative have safe or trusted email sender access and would prohibit public employers from using technology to interfere with or prevent email communications between public employees and their recognized representatives.</p> <p>Status: Inactive/Dead pursuant to Article IV, Section 10 (c): Failed to pass house of origin by 01/31/24.</p> <p>Impact: None</p>
N/A	<p>AB 1870 - Workers' Compensation – Notice to Employees – Legal Services (Ortega-D)</p> <p>Every employer subject to workers' compensation provisions will be required to post information in a conspicuous location, a notice to include information of an injured employee's ability to consult a licensed attorney to advise them of their rights under the workers' compensation laws.</p> <p>Status: Inactive/Dead pursuant to Article IV, Section 10 (c): Failed to pass house of origin by 01/31/24.</p> <p>Impact: None</p>

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

Position Recommendation	Bill and Summary
N/A	<p>AB 1379 – Open Meetings – Local Agencies: Teleconferences (Brown Act) (Papan-D)</p> <p>When using teleconferencing, the bill would require the posting of the agenda at a singular designated physical meeting location, rather than all teleconference locations.</p> <p>In addition, existing law, until January 1, 2026, authorizes a legislative body to use alternative teleconferencing provisions without complying with general teleconferencing requirements. The bill would revise the alternative provisions to make these provisions operative indefinitely.</p> <p>Status: Inactive/Dead pursuant to Article IV, Section 10 (c): Failed to pass house of origin by 01/31/24</p> <p>Impact: None</p>
Watch	<p>SB 769 – Local Government – Fiscal and Financial Training (Gonzalez-D)</p> <p>The bill would require a member of a legislative body to receive at least two (2) hours of fiscal and financial training at least every two years.</p> <p>Status: Held in committee and under submission as of 09/01/23.</p> <p>Impact: Under review.</p>
Watch	<p>SB 1034 – California Public Records Act - State of Emergency (Seyarto-R)</p> <p>Would allow a public agency more time to respond to a request for public information during a state of emergency proclaimed by the Governor.</p> <p>Status: May be heard in Judiciary Committee 03/08/24.</p> <p>Impact: Under review.</p>

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Position Recommendation	Bill and Summary
Watch	<p>SB 908 – Public Records – Legislative Records – Electronic Messages (Cortese-D)</p> <p>An elected or appointed official or employee of a public agency shall not create or send a public record using a nonofficial electronic messaging system (texting on a personal device) unless the official or employee sends a copy of the public record to an official electronic messaging system within 20 days of the original creation or sending of the public record. “Official electronic messaging system” means an electronic messaging system designated by a public agency to be used by an elected or appointed official or employee of a public agency for the official business of the public agency.</p> <p>Status: Introduced 01/08/24 and may be acted upon on or after 2/8/24.</p> <p>Impact: SBCERA would be required to electronically store staff and trustees’ work-related text messages. Bill specifies that the State would not be required to reimburse local agencies for costs associated with compliance. Fiscal impact unknown.</p>
Watch	<p>AB 2153 – Public Records – Employee Notifications (Lowenthal-D)</p> <p>This bill would require public employers to notify employees when someone requests to inspect their personnel information, which—for the most part—is exempt from being disclosed under the California Public Records Act.</p> <p>Status: May be heard in committee on 03/08/24; Referred to Judiciary committee</p> <p>Impact: Under Review</p>
Watch	<p>AB 2302 – Open Meetings, Teleconferences (Addis-D)</p> <p>This bill would revise how a local legislative body calculates the number of meetings a member can participate in remotely. Specifically, it would prohibit such participation for more than a specified number of meetings per year, based on how frequently the legislative body regularly meets.</p> <p>Status: Read for first time 02/12/24</p> <p>Impact: Under Review</p>

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Position Recommendation	Bill and Summary
Watch	<p>AB 2421—Employer-employee relations, confidential communications (Low-D)</p> <p>This bill would prohibit employers from questioning any employee about communication they had in confidence with a labor representative in connection with any matter within the scope of the recognized employee organization’s representation.</p> <p>Status: Read for first time 02/13/24</p> <p>Impact: Under Review</p>
Watch	<p>AB 2611— California Political Reform Act - Conflicts of Interest</p> <p>This bill is a spot bill that will be amended. As written, it makes a non-substantive change to wording in the Political Reform Act, i.e., “any public official” to “a public official.”</p> <p>Status: May be heard in committee on 03/16/24</p> <p>Impact: Under Review</p>
Watch	<p>SB 1151— Political Reform Act - Foreign Agents</p> <p>This bill would require an individual who engages in certain specified activities related to influencing legislative or administrative action to register as an agent of a foreign principal and to file periodic reports with the Secretary of State.</p> <p>Status: May be acted on 03/16/24; referred to the Elections and Constitutional Amendments Committee</p> <p>Impact: Under Review</p>
Watch	<p>AB 2715— Brown Act - Closed Session - Cyber Security</p> <p>This bill would additionally authorize a closed session to consider or evaluate matters related to cybersecurity, as specified, provided that any action taken on those matters is done in open session.</p> <p>Status: May be heard in committee on 03/16/24</p> <p>Impact: Under Review</p>

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

Position Recommendation	Bill and Summary
Watch	<p>SB 252 – Public Retirement Systems- Fossil Fuels – Divestment (Gonzalez-D)</p> <p>This bill would prohibit the boards of the Public Employees’ Retirement System and the State Teachers’ Retirement System from making new investments or renewing existing investments of public employee retirement funds in a fossil fuel company, as defined. The bill would require the boards to liquidate investments in a fossil fuel company on or before July 1, 2031. The bill would temporarily suspend the above-described liquidation provision upon a good faith determination by the board that certain conditions materially impact normal market mechanisms for pricing assets, as specified, and would make this suspension provision inoperative on January 1, 2035. The bill would provide that it does not require a board to take any action unless the board determines in good faith that the action is consistent with the board’s fiduciary responsibilities established in the California Constitution.</p> <p>Status: Referred to Committee on Public Employment and Retirement as of 06/08/23.</p> <p>Impact: None</p>
N/A	<p>SB 660 – Public Retirement System Agency Cost and Liability Panel (Alvarado-Gil-D)</p> <p>This bill would establish the California Public Retirement System Agency Cost and Liability Panel to handle responsibilities related to PERS retirement benefit costs, including determining how costs and unfunded liability are apportioned to a public agency when a member changes employers within the same public retirement system or when a member concurrently retires with two (2) or more retirement systems that have entered into reciprocity agreements. The agency will be required to submit a report to the Legislature no later than December 31, 2024, regarding the financial impact a public agency assumes when an employee transfers to another public agency.</p>

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Position Recommendation	Bill and Summary
	<p>Status: Inactive/Dead pursuant to Joint Rule 56: Failed to become a carry-over bill.</p> <p>Impact: None</p>
Watch	<p>AB 1997 – Teachers’ Retirement Law (McKinnor-D)</p> <p>This bill would redefine “annualized pay rate” to mean the salary, as described, a person could earn during a school term in a position subject to membership if creditable service were performed for that position on a full-time basis, to be determined pursuant to a publicly available pay schedule by a prescribed method. The bill, if no annualized pay rate exists for a position subject to membership, would deem all compensation earned in that position “supplemental pay,” as prescribed. This bill would revise the definition of “compensation earnable” to be the sum of the average annualized pay rate, determined as the quotient obtained when salary earned in a school year is divided by the service credited for that salary and special pay, as prescribed. The bill would also redefine terms such as service and credited service. In addition, an employer may be subject to prosecution if for willfully reporting compensation inconsistent with the requirements.</p> <p>Status: Referred to Assembly Public Employment and Retirement.</p> <p>Impact: None</p>
Watch	<p>SB 1240 – PERS Contracting Agencies Consolidation (Alvarado-Gil-D)</p> <p>This bill would facilitate the consolidation of fire districts in El Dorado County by allowing the successor fire district to contract with CalPERS to provide the same retirement benefits to transferred employees.</p> <p>Status: Introduced 02/15/24.</p> <p>Impact: None</p>
	<p>SB 1379 – PERS Return to Work Reinstatement/Solano County (Dodd-D)</p> <p>This bill would remove the 960-hour work limit for retirees who return to work for the City of Vallejo or the County of Solano to preform a function or functions regularly performed by a peace officer, any evidence or</p>

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Position Recommendation	Bill and Summary
Watch	dispatch personnel, or any administrative or records personnel. Status: Introduced 02/15/24. Impact: None
Watch	SB 1240 – PERS Office of Inspector General (Alvarado-Gil-D) This bill would create an Office of Inspector General within CalPERS. Status: Introduced 02/16/24. Impact: None Advocate: Retired Public Employees Association of California
Watch	AB 2362 – County Fire Service Retirement Law (Lackey-R) Changes the month that a Fireman’s Retirement Fund must report to a Board of Supervisors from January to February. This is likely a spot bill that will be amended. Status: Read on 02/12/24 Impact: TBD

End of Memo.
BMH:SV:ycb