



**TO:** State Association of County Retirement Systems  
**FROM:** Cara Martinson, Public House Consulting  
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**RE:** **Legislative Update – May 2025**

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The Legislature is rapidly approaching its first policy committee deadline, with committees working furiously to process more than a thousand bills ahead of the May 2<sup>nd</sup> deadline for fiscal bills and May 9<sup>th</sup> for non-fiscal bills. Following this milestone, attention will shift to the fiscal deadline, where a significant number of bills are expected to be held in the appropriations committees due to the state’s challenging budget environment. Last year, an average of 32% of bills in each house were held at this stage.

Despite current budget constraints, the state’s revenues are outperforming projections. According to the Department of Finance and the Franchise Tax Board, revenues at the end of March were approximately \$4–5 billion above the January estimates. Nevertheless, broader economic uncertainty—driven by ongoing federal issues including trade policy and the rollback of key safety net programs—continues to cloud the overall fiscal outlook. Greater clarity is expected when the Governor releases the May Revision in mid-May.

On the legislative front, common policy themes continue to emerge with bipartisan interest, namely housing and permit reform. Legislators remain focused on addressing California’s severe housing shortage, efforts largely hindered by the complex requirements of the California Environmental Quality Act (CEQA). The law has long been a source of friction between pro-development advocates and environmental stakeholders, without any lasting resolution.

That may soon change. Assembly Bill 609, introduced by Assemblymember Buffy Wicks (D-Oakland), proposes to exempt most urban housing developments from CEQA— a sweeping reform with significant implications. If passed, the bill would eliminate environmental litigation over multifamily housing proposals, reduce legislative wrangling over project-specific exemptions, and limit the use of CEQA as a tool for negotiating project concessions.

In addition, the Legislature has been focused on the need to lower the cost of living for working Californians, including lowering utility bills for rate payers. In the local government sphere, bills seeking to amend, extend or augment the Open Meetings Laws continue to move through the legislative process.



**SACRS is tracking the following bills:**

- **ACA 2 (Jackson)** - seeks to reinstate retirement for State Legislators. ACA 2 would establish a retirement system specifically for legislators elected or serving from November 1, 2010 onward. To qualify, legislators would be required to serve at least 10 years. If their service is less than 10 years, legislators could transfer their accumulated service credits to another public pension or retirement system they are a part of. Status: This bill has not yet been referred to a policy committee.
- **AB 259 (Rubio)** - was amended to extend the 2026 sunset on existing laws governing teleconferencing procedures for public meetings to 2030. This bill is sponsored the CA Special District's Association (CSDA). Status: This bill passed out of the Assembly Local Government Committee and is on the Assembly Floor awaiting action.
- **AB 288 (McKinnor)** - deletes a reference in government code 3558 to a date in which the section is operative. The section is related to the ability of an exclusive representative to file a charge of an unfair labor practice with the Public Employment Relations Board alleging a violation related to notice requirements. Status: This bill passed out of the Assembly Committee on Public Employment & Retirement (PERS) and is on the Assembly Floor awaiting action.
- **AB 339 (Ortega)** - would require the governing body of a public agency to give a recognized employee organization no less than 120 days' written notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization. Status: This bill passed out of Assembly PERS Committee and is in the Assembly Appropriations Committee.
- **AB 340 (Ahrens)** - would prohibit a public agency employer from questioning any employee or employee representative regarding communications made in confidence between an employee and an employee representative in connection with representation relating to any matter within the scope of the recognized employee organization's representation. Status: This bill passed out of the Assembly PERS Committee and is in the Assembly Appropriations Committee.



- **AB 409 (Arambula)** - was amended to extend the 2026 sunset on existing laws governing teleconferencing procedures for California Community College student body associations and student-run community college organizations to 2030. Status: This bill passed out of the Local Government and Higher Educations Committees and is awaiting action on the Assembly Floor.
- **AB 467 (Fong)** - was amended to extend the sunset date from 2026 to 2030 (as opposed to 2031) for teleconferencing procedures for neighborhood councils, defined as an advisory body with the purpose to promote more citizen participation in government and make government more responsive to local needs that is established pursuant to the charter of a city with a population of more than 3,000,000 people that is subject to the Brown Act. Status: This bill passed out of the Assembly Local Government Committee and is awaiting action on the Assembly Floor.
- **AB 569 (Stefani)** - was amended to maintain the proposed authorization to negotiate contributions to supplemental Defined Benefit plans but also maintain consistency with the existing PEPPRA prohibitions and limitations. Status: This bill passed out of the Assembly PERS Committee and is awaiting action on the Assembly Floor.
- **AB 1323 (Chen)** – would increase the compensation rate for certain members of the Orange County Board of Retirement to not more than \$320 per meeting. Status: This bill was set for hearing on 4/22 in the Assembly PERS Committee, but that hearing was cancelled by the request of the author.
- **AB 1383 (McKinnor)** - This bill would establish new retirement formulas, for employees first hired on or after January 1, 2026, as 2.5% at age 55, 2.7% at age 55, or 3% at age 55. For new members hired on or after January 1, 2013, who are safety members, the bill would require employers to adjust the formulas for service performed on or after January 1, 2026, to offer one of the 3 formulas for safety members that is closest to the formula the employer provided pursuant to existing law. The bill would authorize a public employer and a recognized employee organization to negotiate a prospective increase to the retirement benefit formulas for members and new members, consistent with the formulas permitted under the act. This bill would authorize an employer and its employees to agree in a memorandum of understanding to be subject to a higher safety plan or a lower safety plan, subject to certain requirements, including that the memorandum of understanding is collectively bargained in accordance with applicable laws. Status: This bill passed out of



the Assembly PERS Committee and is in the Assembly Appropriations Committee.

- **AB 1439 (Garcia)** - 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. Status: This bill was not heard in Committee and was made a two-year bill.
- **SB 239 (Arreguín)** - allows flexibility for remote meetings of local advisory bodies (“subsidiary bodies” in the language of the bill). Specifically, this bill would allow the subsidiary body of a local agency to teleconference their meetings without having to make all locations publicly available, but amendments would now require the subsidiary body to post the agenda at each physical meeting location. The bill also sunsets these provisions in 2030. Status: The bill passed out of the Senate Local Government and will be heard in the Judiciary Committee on May 6<sup>th</sup>.
- **SB 301 (Grayson)** - would beginning on or after January 1, 2026, prohibit a city or district that contracts with a retirement system under the CERL from amending their contract with the system in a manner that provides for the exclusion of some, but not all, employees. This bill passed out of the Senate PERS Committee and is awaiting action on the Senate Floor.
- **SB 470 (Laird)** - was amended to would delete the 2026 sunset on existing laws governing teleconferencing procedures for state agencies relative to the Bagley-Keene Open Meeting Act and extend the sunset provision to 2030. Status: This bill passed out of the Senate Governmental Organization and is awaiting action on the Senate Floor.
- **SB 707 (Durazo)** - would add additional teleconferencing meeting options for local governments until 2030 to allow members of the public to attend a public meeting via a two-way teleconferencing option or two-way audio-visual platform. The bill would also require additional alternative language noticing requirements. Status: The bill passed out of the Senate Judiciary Committee with amendments on 4/22 (not yet in print). This bill is now in the Senate Appropriations Committee.



**Contact:**

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