



TO: State Association of County Retirement Systems
FROM: Cara Martinson, Public House Consulting
Laurie Johnson, LJ Consulting & Advocacy
DATE: September 8, 2025
RE: **Legislative Update – September 2025**

The Legislature has entered the final two weeks of its legislative session. Following their return from summer recess on August 18, lawmakers promptly began work on a bill package that included a redistricting plan aimed at shifting five Republican-held congressional seats to favor Democrats in the upcoming midterm elections. The package was approved, and one of the measures (Proposition 50) will appear on the ballot for voter approval during a special election scheduled for November 4, 2025. Backed by Governor Newsom, this initiative comes in response to President Trump's efforts to encourage Texas lawmakers to pursue redistricting measures favoring Republicans. The Legislature then turned its attention to the Appropriations Suspense File last Friday, where they heard 686 bills with 25 percent of the bills failing to advance. Some of the notable bills that were "held" in committee included a bill that would have streamlined permitting restrictions for high-speed rail, an exemption for classic cars from smog-check requirements and the legalization of psychedelic drugs.

The focus now shifts to hearing the remaining bills on the floor before the Legislature adjourns for the year on September 12th. The Governor will then have 30 days to take action on all bills sent to his desk.

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 did not receive a hearing and is now a 2-year bill.
- **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 by the CA Special District's Association (CSDA). Status: This bill is now a 2-year bill.



- **AB 288 (McKinnor)** - expands the jurisdiction of the Public Employment Relations Board (PERB) by authorizing certain workers to petition PERB to protect and enforce their rights. Status: This bill passed out of the Senate Appropriations Committee and is awaiting action on the floor.
- **AB 339 (Ortega)** - would require the governing body of a public agency to give a recognized employee organization (REO) no less than 45 days' written notice regarding contracts to perform services that are within the scope of work of job classifications represented by the REO. Status: This bill was approved by the Senate Appropriations Committee and is awaiting action on the floor.
- **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 is now a 2-year bill.
- **AB 409 (Arambula)** - would 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 is now a 2-year bill.
- **AB 467 (Fong)** - would 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. Status: This bill is now a 2-year bill.
- **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 PEPRA prohibitions and limitations. Status: This bill was held on the Appropriations Suspense File and is now a 2-year bill.
- **AB 814 (Schiavo)** - This bill excludes from gross income, under the Personal Income Tax (PIT) Law, peace officer retirement pay and amounts received by the beneficiary of an annuity plan set up for the surviving spouse or dependent of a person that lost their life in service as a peace officer. Status: This bill was held on the Assembly Appropriations Suspense File.



- **AB 1054 (Gipson)** - This bill would establish the Deferred Retirement Option Program as a voluntary program within PERS for employees of State Bargaining Units 5 (Highway Patrol) and 8 (Firefighters). The bill would require these state bargaining units to bargain with the Department of Human Resources to implement the program. The bill would also require the program to result in a cost savings or be cost neutral. The bill would further require the department to work with the board of PERS to develop the program. Status: This bill was not taken up in the Assembly PERS Committee and is now a 2-year bill.
- **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 did not receive a policy committee hearing and is now a 2-year bill.
- **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 was held on the Assembly Suspense File and is now a 2-year bill.
- **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 did not receive a policy committee hearing and is now a 2-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 and would require the subsidiary body to post the agenda at each physical meeting location. The bill also sunsets these provisions in 2030. Status: The bill was moved in the inactive file. The sponsors of this bill are now working with Senator Durazo on SB 707 as the consensus measure.
- **SB 301 (Grayson)** - beginning on or after January 1, 2026, would 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 off the Assembly floor and is back in the Senate for a concurrence vote.
- **SB 443 (Rubio)** - This bill authorizes, on or after January 1, 2026, the Pajaro Regional Flood Management Agency (PRFMA) to offer an employee the pre-Public Employee Pension Reform Act of 2013 (PEPRA) defined benefit (DB) retirement plan or formula if the employee was already subject to that retirement plan or formula as an employee of the member agency (a “pre-PEPRA” employee). Similarly, the bill authorizes a non-founding member agency of a JPA formed on or after January 1, 2013, to offer a pre-PEPRA DB retirement plan or formula to an employee within 180 days of the agency becoming a member of the JPA. Status: This bill was passed by the Legislature and is on the Governor’s desk for approval.
- **SB 470 (Laird)** – 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 Assembly Appropriations Committee and is awaiting action on the Assembly Floor.
- **SB 707 (Durazo)** - would add additional teleconferencing meeting requirements for certain local governments until 2030 to allow members of the public to attend a public meeting via a two-way teleconferencing option. The bill would also require additional alternative language noticing requirements, among other requirements. The bill has been limited to cities and counties with



a population of 30,000 or more as well as the Special Districts that have an internet website and meet any of the following conditions:

- The boundaries of the special district include the entirety of a county with a population of 600,000 or more, and the special district has over 200 full-time equivalent employees.
- The special district has over 1,000 full-time equivalent employees.
- The special district has annual revenues, based on the most recent Financial Transaction Report data published by the California State Controller, that exceed \$400 million, adjusted annually for inflation, as specified, and the special district employs over 200 full-time equivalent employees.

Status: The bill passed out of the Assembly Appropriation Committee and is awaiting action on the Assembly Floor.

- **SB 853 (Committee Omnibus Bill)** - includes clarifying changes to the CERL:
 - Clarifies that for members subject to PEPRA, the retirement association shall compute absences using the member's pensionable compensation at the beginning of the member's absence.
 - Clarifies that where a member's service through reclassification, has been converted from general to safety member service, service converted after PEPRA's effective date is subject to PEPRA's prohibition of retroactive benefits. Thus, clarifies that conversion shall apply only to service after the operative date of the reclassification and not to all prior service.
 - Clarifies how CERL employers should report retired annuitants to their retirement association.
 - Status: This bill passed out of the Assembly and is back to the Senate for a concurrence vote.

Contact:

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