



July 1, 2021

TO: State Association of County Retirement Systems
FROM: Edelstein Gilbert Robson & Smith, LLC
RE: **Legislative Update – July 2021**

General Update

Last month, the Legislature passed a critical legislative deadline that marks the halfway point in the first year of session – the House of Origin deadline. This deadline requires all bills to pass out of the house where they were introduced. This means that at this point in the legislative process, all remaining bills that are still viable have passed out of policy committees, fiscal committees (if applicable) and the Floor of their first house. Now, bills face the second house, where all remaining Senate bills move through the Assembly, and all Assembly bills move through the Senate.

Now that we have reached this stage, policy committees are well under way. Legislators have until July 14 for bills to pass out of policy committees before facing the fiscal committee deadline.

Legislation of Interest

SB 634 (Committee on Labor, Public Employment, and Retirement) - SACRS Sponsored Bill. This bill makes a few clarifying changes to the CERL, including clarifying that a 37 Act Retirement board may contract with a private physician to provide medical advice to the board to process disability claims and changing an obsolete code reference related to when a 37 Act system member may opt to continue as a member of the 37 Act system instead of enrolling in CalSTRS.

Recent amendments strike section 11 of the bill regarding a code reference authorizing a 37 Act member who contributes by installment payments to complete payment through a lump sum payment any time prior to retirement.

The bill passed out of the Assembly Public Employment and Retirement Committee unanimously and is awaiting a hearing in the Assembly Appropriations Committee.

AB 826 (Irwin) - Compensation Earnable. This bill was recently amended into a bill that prescribes that the definition of compensation earnable in CERL includes any form of remuneration, whether paid in cash or as in-kind benefits, if certain requirements are met.

The bill is co-sponsored by SEIU and the Ventura County Board of Supervisors. They argue that some pay items, like their Flexible Benefit Allowance was not clearly addressed in the *Alameda* decision and should not be excluded, because members receive the full cash value, it is a regular, set amount paid every pay period, and it isn't subject to pension spiking or any other manipulation.

Because it was just amended, the bill has not had a hearing. It is currently in the Senate.

AB 845 (Rodriguez) - COVID-19 Presumption. This bill creates a rebuttable presumption for members that a COVID-19 related illness contracted on the job must be eligible for an in-service disability retirement. The provisions sunset January 1, 2023. The bill is sponsored by SEIU. The co-chairs of the Legislative Committee have been closely engaged with the sponsor and committee staff working on the legislation to ensure smooth implementation in CERL Systems.

This bill is moving through the Senate and is awaiting a vote on the Senate Floor.

Public Meeting Bills

Governor Newsom recently issued an Executive Order that sunsets the modified Brown Act requirements due to the pandemic on September 30, 2021.

On the legislative side, three public meeting bills have been introduced relating to the pandemic and teleconference/virtual meetings for local public agencies.

AB 361 (Rivas)- Virtual Meetings for Declared Emergencies Only. This bill is sponsored by the CA Special Districts Association and would codify the Governor's Executive Order allowing for teleconference for declared emergencies. The bill would require local agencies to re-declare an emergency every 30 days that would then allow them to continue meeting remotely.

This bill is currently in the Senate.

AB 339 (Lee) - Mandatory Virtual Meetings with Translation Services – As introduced, this bill would have required the Legislature and public boards to continue to provide virtual access for the public, even if all of the members attended in-person, included requirements for translation services upon request and posting instructions in the 2 most spoken languages in the jurisdiction. The bill is sponsored by the Leadership Counsel for Justice & Accountability and the ACLU of California.

Due to opposition from public agency groups, the bill was amended to limit the bill's applicability to city councils and boards of supervisors in jurisdictions with over 250k residents, limit the public access to phone or internet (not both), remove all translation requirements, and add a sunset date, among other changes.

This bill is currently in the Senate.

AB 703 (Rubio) - Continues Option for Virtual Meetings beyond pandemic. This bill codifies the Governor's Executive Order allowing for teleconference meetings after the pandemic is over. However, the author's office has confirmed that this bill is a two-year bill that will not be moving further this year of session.