



November 4, 2021

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

General Update

Friday, September 10, marked the last day of the first year of the 2021-22 Legislative Session. The Legislature sent 836 bills to the Governor's desk at the end of session. By the bill signing deadline of October 10, the Governor signed 770 of those bills and vetoed only 66.

The Legislature remains on interim recess through the fall. Session will reconvene in January, where Legislators will return to Sacramento to introduce new legislation and continue work on two-year bills.

2022 SACRS Sponsored Bill

Along with shepherding the 2021 SACRS sponsored bill through the legislative process, the SACRS Legislative Committee has fielded bill ideas from the membership, reviewed those proposals and drafted the accompanying language to develop a proposed 2022 SACRS sponsored bill.

The SACRS Board of Directors approved the draft bill in September, and the proposal will now go before the SACRS membership at this month's business meeting at the Fall Conference. Once approved, the lobbying team will work the relevant committees in the Legislature to get the bill introduced next year.

Two-Year Bills of Interest

Below is an update on the bills SACRS was tracking in 2021 that could return in 2022 when the Legislature reconvenes in January.

AB 826 (Irwin) - Compensation Earnable. Late into session, this bill was 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. The sponsors 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.

In the final days of session, the bill was amended to clarify that the provisions of the bill only apply to Ventura County. The bill was moved to the inactive file before the Legislature adjourned, making it a two-year bill.

SACRS does not have a position on the bill.

AB 498 (Quirk-Silva) – Compensation Earnable. At the end of session, Assemblymember Quirk-Silva amended her AB 498 to attempt to address a difference of opinion regarding compensation earnable, similar to AB 826 (Irwin) discussed above.

Because the bill was amended just before the end of session, it did not move in 2021 and will be considered next year when the Legislature returns in January.