Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 8

MEETING DATE: **August 19, 2026**

SUBJECT: **State Association of County Retirement Systems (SACRS) Legislative Update—August 2026**

SUBMITTED FOR: **____ Action** **__X__ Information**

RECOMMENDATION

Receive and file the State Association of County Retirement Systems (SACRS) Legislative Update for August 2026.

PURPOSE/STRATEGIC PRIORITY

This item complies with the Strategic Management Plan objective to sustain board governance effectiveness by participating in the legislative process to monitor changes in state law affecting public pension plans.

DISCUSSION

The attached report highlights recent legislative activity affecting California public pension plans and is produced by SACRS' legislative advocates.

SACRS is composed of the 20 systems operating under the County Employees' Retirement Law. The association's mission is to provide education and analysis to trustees and staff so that they can be more effective stewards of their systems' pension plans.

ATTACHMENTS

- Board Order
- SACRS Legislative Update—August 2026

Prepared by:

/S/

Eric Stern
Chief Executive Officer

Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
August 19, 2026

AGENDA ITEM:

State Association of County Retirement Systems (SACRS)

Legislative Update—August 2026

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to receive and file the State Association of County Retirement Systems (SACRS) Legislative Update for August 2026.

I HEREBY CERTIFY that the above order was passed and adopted on August 19, 2026 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

Chris Giboney Board President	Eric Stern Chief Executive Officer and Board Secretary

TO:	State Association of County Retirement Systems
FROM:	Cara Martinson, Capitol Advocacy Laurie Johnson, LJ Consulting & Advocacy
DATE:	August 4, 2026
RE:	**Legislative Update – August**

The Legislature has entered the final stretch of the 2026 legislative session. Policy committee hearings have concluded, shifting the focus to bills that advanced to the Appropriations Committees, negotiations over amendments needed to secure votes, and the final rounds of discussions among the Assembly, Senate, Governor's Office, and key stakeholders. As the Legislature approaches its constitutional adjournment deadline on August 31st, bills will move to the respective Senate and Assembly floors for debate and final consideration.

Several issues continue to dominate the Capitol agenda. Housing production and land use reform remain top priorities, particularly proposals aimed at streamlining development, reducing permitting barriers, and expanding infrastructure financing. Climate resilience, water reliability, wildfire preparedness, and energy affordability continue to drive significant legislative activity, while public finance issues, including local revenue authority, infrastructure investment, and implementation of voter-approved bond measures, remain central concerns for local governments. Lawmakers are also advancing proposals related to government operations, including Brown Act modernization, artificial intelligence governance, and regulatory changes affecting state and local agencies.

Legislative activity will intensify considerably over the coming weeks. Hundreds of bills will be considered on the Assembly and Senate Floors, many of which will be amended late in the process to resolve policy disagreements, fiscal concerns, or stakeholder issues.

California's November General Election is shaping up to be one of the most consequential and expensive in recent history. In addition to statewide contests for Governor, Lieutenant Governor, Attorney General, Controller, Treasurer, Insurance Commissioner, Superintendent of Public Instruction, all 80 Assembly seats, and 20 Senate seats, voters are expected to consider approximately 14 statewide ballot measures. The election is anticipated to generate record levels of campaign spending as business organizations, labor groups, and stakeholder groups compete to influence public opinion on several high-profile initiatives.

The statewide ballot is expected to feature several significant policy debates. Among the measures likely to receive the greatest attention are proposals related to housing affordability, including an affordable housing bond and a second-mortgage homebuyer assistance program; election administration, including voter identification requirements and changes to initiative voting thresholds; taxation, including a closely watched proposal to tax ultra-high-net-worth individuals alongside other tax-related measures; healthcare financing; and campaign finance reform. Collectively, these initiatives present competing approaches to California's fiscal priorities and regulatory framework and are expected to drive robust statewide campaigns through Election Day.

The following is an update on bills that SACRS is actively following:

II. Legislative Update:

- **AB 1054 (Gipson)** - This bill would establish the Deferred Retirement Option Program (DROP) as a voluntary program within PERS for employees of State Bargaining Units 5 (Highway Patrol) and 8 (Firefighters). The bill states that the DROP becomes effective and applicable only after: 1) the applicable Bargaining Unit has entered into a MOU with the employer to implement the program; 2) The program has been certified via an actuarial analysis that it is cost neutral by the CalPERS Board of Administration; and 2) CalPERS has adopted regulations to implement and administer the program.
    - Status: This bill is in the Senate Appropriations Committee
    - Position: No Position/Watch

- **AB 1383 (McKinnor)** – The bill was heard in the Assembly PERS Committee and advanced out of the Appropriations Committee in January after taking several amendments. The bill includes the following provisions:
    - Adjust, on and after January 1, 2027, the pensionable compensation limit to the Social Security compensation limit. The prior version of the bill would have increased the pensionable compensation limit to the higher IRC 415(b) threshold.
    - Lower the retirement age on a prospective basis from age 57 to 55 for three existing safety DB retirement formulas, and
    - Authorize a public employer to create a fourth PEPRA safety DB retirement formula of three percent (3%) at age 55, to be applied prospectively.
    - Amendments this year removed a provision that would have permitted collective bargaining over the 50-50 normal cost sharing requirement.

    - Status: This bill is in the Senate Appropriations Committee
    - Position: Neutral

- **AB 1439 (Garcia**) - The bill would have required labor protection standards on pension system investments in development projections. The bill was amended coming out of the Assembly to now require CalPERS and CalSTRS to contract with the University of California Labor Centers to conduct an independent study to determine the impacts on public employee retirement funds of prohibiting the boards from investing in California development projects that do not provide labor standards protections for workers. The bill no longer applies to the CERL systems and removes SACRS' opposition.
    - Status: The bill is in the Senate Appropriations Committee
    - Position: No position/watch

- **AB 1601 (Rogers)** – This bill would permit the county Board of Supervisors for Sonoma County to authorize a cost-of-living adjustment to the retirement allowances, optional death allowances, or annual death allowances payable by the retirement system.
    - Status: This bill is awaiting action on the Senate floor
    - Position: Neutral

- **AB 1619 (Valencia)** –This bill allows county Boards of Supervisors to authorize an increase in the Board of Retirement trustee per diem from $100 to $320. The bill would then require action by the Board of Retirement to establish the increased compensation rate. This bill was amended to apply the same increase in compensation to CalPERS and CalSTRs Board Members.
    - Status: This bill is awaiting action on the Senate floor
    - Position: Neutral

- **AB 1660 (Schiavo)** – This bill was amended to now permit as opposed to require a court to award sanctions of no less than $1,000 per violation if a financial institution, private agency, retirement fund administrator, insurance company, or other person fails to comply with existing requirements to provide information or surrender property of a decedent, minor, or conservatee to a public administrator or public guardian that is authorized to take possession and control of such property.
    - Status: This bill is awaiting action on the Senate floor
    - Position: No position/watch

- **AB 1844 (Pacheco)** – This bill modifies the Judges' Retirement System II, to give judges more flexibility in designating beneficiaries for their retirement benefits. This bill would authorize a judge who elects one of the optional retirement payment plans in lieu of receiving the maximum retirement allowance to designate a beneficiary other than their spouse to receive the payment or allowance after the judge's death, subject to the community property rights of the judge's spouse. Additionally, the bill extends existing survivor benefits to non-spouse beneficiaries, removing the stipulation that the judge must have served a minimum of 20 years if they die in office.
  - Status: This bill is in the Senate Appropriations Committee
  - Position: No position/watch

- **AB 2519 (McKinnor)** – The bill expands who must be included in the State Teachers' Retirement System (STRS) membership. Under current law STRS administers a defined-benefit retirement program funded by employer and employee contributions and applies to positions that generally require a valid credential or license; charter school positions were excluded. This bill adds permitholders and comparable positions at charter schools that receive state apportionment and perform specified directing, coordinating, supervising, or administrative functions to the definition of "position subject to membership." It also removes a board-triggered timing requirement and makes the new definition operative on July 1, 2027.
  - Status: This bill is in the Senate Appropriations Committee
  - Position: No position/watch

- **AB 2780 (Assembly Committee on Public Employment and Retirement) –** Public Retirement Systems: Omnibus Bill - This bill includes the SACRS-sponsored legislative package in the Legislature's annual omnibus bill for technical changes to laws affecting CalSTRS, CalPERS, and the CERL systems. The proposed changes in the CERL include the following:
  - Clarifying that deferred members cannot run for or vote in active member Miscellaneous and Safety trustee elections.
  - Establishing a 10-year statute of limitations for recovery of overpayments due to fraudulent reports of overpaid death benefits.
  - Formalizing the practice of the majority of CERL systems that only the last system pays a lump-sum burial allowance for reciprocal members.
  - Defining "concurrent retirement" to allow reciprocal members to retire on different dates with 30 days of each retirement date, as long as there is not overlapping service.
    - Status: This bill is awaiting action on the Senate floor

- Position: Support

- **SB 1187 (Durazo)** – This bill was amended to remove language access requirements for the purposes of Act that were established by SB 707 from last year. Specifically, the bill would repeal several public participation and language access requirements established by SB 707, including requirements related to translation of meeting materials, interpretation services, multilingual website content, public outreach to underrepresented communities, and opportunities for the public to provide additional agenda translations. It would reduce the administrative obligations placed on eligible legislative bodies related to multilingual access and public engagement.
  - Status: This bill is awaiting action on the Assembly floor
  - No position/watch

- **SB 1207 (Laird)** – This bill authorizes CalPERS members to buy back not more than three years of service credit for their prior service in the California Conservation Corps (CCC). The bill also makes changes to CCC's statutes to clarify the scope of authorized projects and to specifically permit CCC to contract with corps established by California Native American tribes
  - Status: This bill is in the Assembly Appropriations Committee
  - No position/watch

- **SB 1407 (Archuletta) –** This bill doubles the amount of retirement and annuity payments that a qualifying military retiree or surviving spouse may exclude from gross income under the Personal Income Tax (PIT) Law from $20,000 to $40,000.
  - Status: This bill is in the Assembly Appropriations Committee
  - Position: No position/watch

Contact:

If you have any questions, contact Cara Martinson at cmartinson@capitoladvocacy.com, or Laurie Johnson at lauriejconsult@gmail.com.