

Legislative Report October 2022

September 30 was the deadline for the Governor sign, veto, or allow a bill to become law without signature. This report addresses the Governor's actions between the end of the legislative session on August 31 and the deadline.

AB 826 (Irwin) seeks to include a flexible credit allowance provided under a cafeteria plan, and which includes in-kind benefits, in compensation earnable for legacy employees, subject to meeting certain criteria. The bill applies only to Ventura County. **Late in the day on September 29, the Governor vetoed this bill. His veto message was:**

I am returning Assembly Bill 826 without my signature.

This bill expands the definitions of "compensation" and "compensation earnable" in the County Employees Retirement Law of 1937 (1937 Act or CERL) that are applicable to legacy members of the Ventura County Employee Retirement Association (VCERA) who retire on or before December 31, 2025, to include an employee's flexible benefit allowance. While I am sympathetic to workers who may see a reduction in their anticipated pension because of prior misinterpretations of what constitutes "compensation" and "compensation earnable," this bill would inappropriately incentivize noncompliance with the Public Employees' Pension Reform Act (PEPRA). The provisions, while more narrow than prior iterations, attempt to circumvent recent court decisions, undermine the intent of the PEPRA, and expose the local governments to increased costs and litigation.

For these reasons, I cannot sign this bill.

AB 1667 (Cooper) initially stated the intent of the Legislature to enact legislation related to the State Teachers' Retirement System, including, among other things, in connection with employer liability for system errors in payments, guidance provided by the system later determined to be erroneous, changes to interpretations of creditable compensation laws by the system, and system audits. It was amended on March 24 to include provisions consistent with the stated intent. **The bill was signed by the Governor on September 29 and is now Chapter 754, Stats. of 2022.**

AB 1722 (Cooper) would delete the termination provision in the PERL providing that a state safety member of PERS who retires for industrial disability receive a retirement benefit equal to the greatest amount resulting from 3 possible calculations thereby making them operative in perpetuity. **The bill was signed by the Governor on September 18 and is now Chapter 404, Stats. of 2022.**

AB 1971 (Cooper) is a SACRS sponsored bill containing a number of CERL amendments considered to be more than technical amendments. It was amended on April 18 to delete sections 1, 6, and 8 of the bill which applied to Board of Supervisors approval of regulations adopted by a retirement board, how to handle a retiree who received a disability retirement but was later found to be no longer incapacitated, and to prevent a retiree who retires from more than one public retirement system from receiving a disability

allowance greater than the amount the retiree would have received had all the retiree's service been with only one entity. It was amended on June 30 in the Sen L, PE & R Comm, and passed out on the same date (5-0). The amendment revised the provision allowing a retiree to serve if elected or appointed to a part-time board or commission operating under a participating agency of the same county retirement system by changing the allowable compensation from \$60K to the amount of any per diem that is authorized to be paid to all members of the board or commission. **The bill was signed by the Governor on September 25 and is now Chapter 524, Stats. of 2022.**

AB 2443 (Cooley) initially prescribed the method by which benefits are to be reduced when federal law requires aggregation of benefits from different state plans administered by CalPERS and federal limits on benefits are **It** reached. It was gutted and amended on June 22 in the Sen to apply to Judges' healthcare benefits and Judges' retirement. **The bill was signed by the Governor on September 25 and is now Chapter 531, Stats. of 2022.**

AB 2449 (B. Rubio) is similar to AB 1944 and would authorize a local agency to use teleconferencing if at least a quorum of the members of the legislative body participates in person from multiple locations clearly identified on the agenda that is open to the public and situated within the local agency's jurisdiction. The bill would impose prescribed requirements relating to notice, agendas, the means and manner of access, and procedures for dealing with disruptions preventing broadcasting the meeting. The bill would also require the legislative body to implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with federal law **The bill was signed by the Governor on September 13 and is now Chapter 285, Stats. of 2022.**

SB 868 (Cortese) would prescribe additional benefits to be paid quarterly from the CalSTRS Supplemental Benefit Maintenance Account, beginning July 1, 2023, for the purpose of restoring the purchasing power of the allowances of retired members and nonmember spouses, disabled members, and beneficiaries. **The bill was signed by the Governor on September 29 and is now Chapter 818, Stats. of 2022.**

This is the last report for this legislative year. See you next year!