THIRD READING

Bill No: AB 1619
Author: Valencia (D), et al.
Amended: 4/23/26 in Assembly
Vote: 21

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 5-0, 6/17/26
AYES: Smallwood-Cuevas, Strickland, Cortese, Durazo, Laird

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 74-2, 5/26/26 - See last page for vote

SUBJECT: Public employees' retirement: administration

SOURCE: Orange County Employees Retirement System

DIGEST: This bill increases the compensation for specified board members of the Public Employees' Retirement System (CalPERS) and the State Teachers' Retirement System (CalSTRS) from $100 to $320 and authorizes boards of supervisors in counties operating a retirement system under the County Employees Retirement Law of 1937 (CERL) to adopt an identical increase for specified board members.

ANALYSIS:

Existing law:

1) Provides under the state constitution that public pension fund retirement boards have the sole and exclusive fiduciary authority over the investment and sole and exclusive responsibility over the administration of their respective retirement systems. (CA CONST art. XVI, §17)

2) Establishes the California Public Employees' Retirement System (CalPERS), which provides a defined benefit pension to state employees, classified school

employees, and employees of contracting public agencies. (Government Code §20000 et seq.)

3) Vests the management and control of CalPERS in its board of administration. Existing law also provides the board with all powers reasonably necessary to invest the assets associated with, and to administer and implement the provisions of, the California Public Employees' Pension Reform Act of 2013. (Government Code §20004 and §20120)

4) Provides that the members of the CalPERS board appointed by the Governor, the public member appointed jointly by the Seante Committee on Rules and the Speaker of the Assembly, and any retired person serving on the board shall receive $100 for every day or portion thereof of actual attendance at meetings of the board or any meeting of any committee of the board of which committee the person is a member and which meeting is conducted for the purpose of carrying out the powers and duties of the board, together with their necessary traveling expenses incurred in connection with performance of their official duties. (Government Code §20091)

5) Establishes the California State Teachers' Retirement System (CalSTRS) to provide a financially sound plan for the retirement of the state's public school teachers, teachers of schools supported by the state, and other persons employed in connection with the schools. (Education Code §22001)

6) Provides that CalSTRS is administered by the Teachers' Retirement Board. Requires the board to set policy and have the sole power and authority to hear and determine all facts pertaining to application for benefits under the plan or any matters pertaining to administration of the plan and CalSTRS. (Education Code §22200 and §22201)

7) Provides that members of the CalSTRS board who are not active members of the Defined Benefit Program or active participants of the Cash Balance Benefit Program and who are appointed by the Governor shall receive $100 for every day of actual attendance at meetings of the board or any meeting of any committee of the board of which the person is a member, and that is conducted for the purpose of carrying out the powers and duties of the board, together with their necessary traveling expenses incurred in connection with performance of their official duties. (Education Code §22223)

8) Establishes the County Employees Retirement Law of 1937 (commonly referred to as the "CERL," "1937 Act," or "'37 Act"), which governs 20 independent county retirement associations and provides for retirement systems for county and district employees in those counties adopting its provisions. Currently, 20 counties operate retirement systems under the CERL. (Government Code §31450 et seq.)

9) Vests the management of a CERL retirement system in its retirement board, consisting of five members or nine members and one alternate, or in its board of investment. (Government Code §31520 and §31520.1)

10) Authorizes boards of supervisors in counties operating a CERL retirement system to provide the fourth and fifth members, and in counties having a board of retirement consisting of nine members or nine members and an alternate retired member, the fourth, fifth, sixth, eight, ninth, and alternate retired members, and in counties having a board of investments, the fifth, sixth, seventh, eight, and ninth members, compensation at a rate of not more than $100 for a meeting, or for a meeting of a committee authorized by the board, for not more than five meetings per month, together with actual and necessary expenses for all members of the board. (Government Code §31521)

11) Authorizes, in a county of the first class, the board of supervisors to provide the fourth, fifth, sixth, eighth, ninth, and alternate retired members of the board of retirement and the fifth, sixth, seventh, eight, and ninth members of the board of investments, compensation at a rate of not more than $100 for a meeting, or for a meeting of a committee authorized by the board, for not more than five meetings per month, together with actual and necessary expenses for all members of the board. (Government Code §31521.1)

12) Denominates Los Angeles County "a county of the first class." (Government Code §28020)

13) Provides, for CERL retirement systems, that the official duties of elected board members who are employees of the county or a district shall be included as part of their county or district employment and their board duties normally take precedence over any other duties. The elected board members who are county or district employees shall not receive any additional compensation by virtue of their election to the board. (Government Code §31522)

This bill:

1) Increases the compensation for specified CalPERS board members from $100 to $320 for every day or portion thereof of actual attendance at meetings of the board or any meeting of any committee of the board of which committee the person is a member and which meeting is conducted for the purpose of carrying out the powers and duties of the board.

2) Increases the compensation for specified CalSTRS board members from $100 to $320 for every day of actual attendance at meetings of the board or any meeting of any committee of the board of which the person is a member, and that is conducted for the purpose of carrying out the powers and duties of the board.

3) Authorizes the board of retirement, in counties operating a CERL retirement system, to increase the compensation of specified board members to a rate of not more than $320.

4) Provides that the increase in compensation in 3) shall not be operative in any county until it is publicly noticed and adopted by a majority vote of the board of supervisors and shall not be adopted by a consent calendar.

5) Authorizes, in a county of the first class, the board of retirement or the board of investments to increase the compensation of specified board members to a rate of not more than $320.

6) Provides that the increase in compensation in 5) shall not become operative until it is publicly noticed and adopted by a majority vote of the board of supervisors and shall not be adopted by a consent calendar.

Background

The CalPERS, CalSTRS, and CERL boards of retirement and investment are responsible for overseeing the administration of their respective retirement systems and safeguarding the financial security of their members. These boards meet regularly to fulfill their fiduciary duties.

CalPERS. The CalPERS board consists of 13 members who are elected, appointed, or hold office ex officio. The board compensation is mandated by law and can only be changed by a majority of the registered voters in the state. Among other responsibilities, the board sets employer contribution rates, determines investment asset allocations, and provides actuarial valuations. The CalPERS board includes:

Six elected members
- Two elected by and from all CalPERS members
- One elected by and from all active state members
- One elected by and from all active CalPERS school members
- One elected by and from all active CalPERS public agency members (employed by contracting public agencies)
- One elected by and from retired members of CalPERS

Three appointed members
- Two appointed by the Governor - an elected official of a local government and an official of a life insurer
- One public representative appointed jointly by the Speaker of the Assembly and the Senate Rules Committee

Four ex officio members
- The State Treasurer
- The State Controller
- The Director of the California Department of Human Resources
- A Representative of the State Personnel Board

The members appointed by the Governor, the public member appointed by the Speaker of the Assembly and the Senate Rules Committee, and any retired person on the board receive $100 for every day or portion thereof of actual attendance at meetings of the board or any meeting of any committee of the board of which committee the person is a member and which meeting is conducted for the purpose of carrying out the powers and duties of the board. Money from the Public Employees' Retirement Fund is used to pay board members.

CalSTRS . The CalSTRS board consists of 12 members who are elected, appointed, or hold office ex officio. The board sets the policies and makes rules for the system and is responsible for ensuring benefits are paid by the system in accordance with law. The CalSTRS retirement board includes:
- Three member-elected positions representing current educators.
- A retired CalSTRS member appointed by the Governor and confirmed by the Senate.
- Three public representatives appointed by the Governor and confirmed by the Senate.

- A school board representative appointed by the Governor and confirmed by the Senate.
- Four board members who serve in an ex officio capacity by virtue of their office: Director of Finance, State Controller, State Superintendent of Public Instruction and State Treasurer.

The members of the board who are not active members of the Defined Benefit Program or active participants of the Cash Balance Benefit Program and who are appointed by the Governor receive $100 for every day or portion thereof of actual attendance at meetings of the board or any meeting of any committee of the board of which committee the person is a member and which meeting is conducted for the purpose of carrying out the powers and duties of the board. Money from the Teachers' Retirement Fund is used to pay board members.

CERL . CERL retirement systems are administered by a board of retirement or a board of investments. Boards of retirement can consist of either five members or nine members and one alternate. Existing law grants county boards of supervisors the authority to adopt specialized CERL provisions to apply to their respective retirement systems through the adoption of county ordinance. This structure allows the CERL to provide flexibility for the different needs and demands of the 20 county retirement systems that the CERL authorizes.

Generally, the **composition of a five-member** board is as follows:

- Member 1 is the county treasurer.
- Members 2 and 3 are active general members of the retirement association, elected by the active general members.
- Members 4 and 5 are qualified electors of the county not connected with county government, with the exception that one of these members may be a member of the board of supervisors. These individuals are appointed by the board of supervisors.

On a five-member board, members 4 and 5 receive compensation at a rate of not more than $100 for a meeting, or for a meeting of a committee authorized by the board, for not more than five meetings per month, together with actual and necessary expenses for all members of the board.

Generally, the **composition of a nine-member board** is as follows:

- Member 1 is the county treasurer.
- Members 2 and 3 are active general members of the retirement association, elected by the active general members.

- Members 4, 5, 6, and 9 are qualified electors of the county not connected with county government, with the exception that one of these members may be a member of the board of supervisors. These individuals are appointed by the board of supervisors.
- Member 7 is an active safety member of the retirement association, elected by active safety members.
- Member 8 is a retired member of the retirement association, elected by retired members.

On a nine-member board, members 4, 5, 6, 8, and 9 receive compensation at a rate of not more than $100 for a meeting, or for a meeting of a committee authorized by the board, for not more than five meetings per month, together with actual and necessary expenses for all members of the board.

Generally, the *composition of a board of investments* is as follows:
- Member 1 is the county treasurer.
- Members 2 and 3 are active general members of the retirement association, elected by the active general members.
- Member 4 is a safety member elected by safety members.
- Members 5,6,7, and 9 are qualified electors of the county not connected with county government, with the exception that one of these members may be a member of the board of supervisors. These individuals are appointed by the board of supervisors.
- Member 8 is a retired member of the retirement association, elected by retired members.

Members 5, 6, 7, 8, and 9 on a board of investments receive compensation at a rate of not more than $100 for a meeting, or for a meeting of a committee authorized by the board, for not more than five meetings per month, together with actual and necessary expenses for all members of the board.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT: (Verified 6/29/26)

Orange County Employees Retirement System (Source)
Contra Costa County Employment Retirement Association
Los Angeles County Employees Retirement Association
Orange County Board of Supervisors
Orange County Employees Association

OPPOSITION: (Verified 6/29/26)

None received

ARGUMENTS IN SUPPORT: The sponsor of the measure, the Orange County Employees Retirement System, argues:

"[AB 1619] represents a prudent and long-overdue adjustment for several compelling reasons:

Inflation Adjustment: The current per-meeting stipend of $100 was established fifty years ago (and adopted by the Orange County Board of Supervisors 40 years ago). The proposed $320 maximum represents the inflation-adjusted equivalent of that original rate and simply brings compensation in line with current economic realities…"

ASSEMBLY FLOOR: 74-2, 5/26/26
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NOES: DeMaio, Sanchez
NO VOTE RECORDED: Bauer-Kahan, Hadwick, Muratsuchi, Celeste Rodriguez

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