
UNFINISHED BUSINESS

Bill No: SB 301
Author: Grayson (D)
Amended: 8/20/25 in Assembly
Vote: 21

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 5-0, 4/30/25
AYES: Smallwood-Cuevas, Strickland, Cortese, Durazo, Laird

SENATE FLOOR: 32-1, 5/28/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Hurtado, Laird, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NOES: Niello
NO VOTE RECORDED: Cervantes, Grove, Jones, Limón, Ochoa Bogh, Reyes, Seyarto

ASSEMBLY FLOOR: 69-3, 8/28/25 - See last page for vote

SUBJECT: County Employees Retirement Law of 1937: employees

SOURCE: California Professional Firefighters

DIGEST: This bill prohibits public employers contracting with a County Employees Retirement Law (CERL) retirement system for pension benefits for its employees from excluding some of its employees, except specified temporary, seasonal, intermittent, or part time employees, that the CERL excludes from membership.

Assembly Amendments of 8/20/25:

- Eliminate this bill's effective date of January 1, 2026.

- Make findings and declarations that this bill’s provisions are declaratory of existing law, thus purporting to apply this bill’s prohibitions to existing CERL contracts or contracts that an employer could amend prior to January 1, 2026.
- Extend this bill’s provisions to apply to all cities and counties, including charter cities and charter counties.
- Clarify this bill’s prohibition does not include coverage for “excludable officers and employees” that the CERL excludes from membership (i.e., temporary, seasonal, intermittent, or part time employees).

ANALYSIS:

Existing law:

- 1) Establishes the County Employees Retirement Law of 1937 Act (referred to as “37 Act” or “CERL”) consisting of twenty county retirement systems, also referred to as associations, to provide defined benefit pension benefits to public county or district employees, as specified. (Government Code §31450 et seq.)
- 2) Provides that CERL retirement system members are entitled, upon retirement for service, to receive a retirement allowance consisting of their service retirement annuity, their current service pension, and their prior service pension, as specified. (Government Code §31673)
- 3) Establishes benefit provisions for the general defined benefit plan that each member county can adopt by resolution. Existing law also provides specific plan elements by statute to particular systems, as specified. Thus, while CERL retirement systems have similar characteristics each has its own particular benefit structure and requirements. (e.g., Government Code §31461.1)
- 4) Provides that all officers and employees of any district become members of the association on the first day of the calendar month after the appropriate governing board approves a resolution to that effect, as specified. (Government Code §31557)

This bill:

- 1) Prohibits a city or district that contracts with a CERL retirement system from amending its contract with the retirement system in a manner that provides for the exclusion of some employees.

- 2) Makes finding and declarations that the bill's provisions are declaratory of existing law.
- 3) Makes additional findings and declarations that the bill's provisions are a matter of statewide concern and not a municipal affair, and thus apply to charter cities or charter counties.

Background

Need for this bill? According to the California Professional Firefighters:

“In 2019, the city of Placentia voted to end their contract with the Orange County Fire Authority, a 37 Act agency, and establish the Placentia Fire and Life Safety Department. In the Final Draft City Proposal brought before the Placentia City Council on June 4th, 2019, the City proposed to establish “a new City department with almost fifty (50) full and part-time employees” in order to re-duce costs associated with fire and emergency medical services.

In September of 2019, the City petitioned CalPERS to amend its contract to exclude from CalPERS membership all firefighters hired to work for the new department. Ordinance O-2019-10 discussed at the September 10, 2019 Placentia City Council meeting included the proposed CalPERS Amendment to the CalPERS Contract, specifying that among the “classes of employees [who] shall not become members of said Retirement System” are “firefighters employed on or after the effective date of this amendment to contract.” Currently, the firefighters employed by the Placentia Fire and Life Safety Department are the only employees of the City of Placentia that are not included in the pension plan.

While Government Code 31557 provides clear direction regarding the eligibility for membership of those who are directly employed by the county agency, a potential loophole exists for jurisdictions that contract with a 37 Act retirement system that would allow them to pursue this unfair exclusion for select employees. This would run counter to not only the intent of the CERL but also the Legislature as expressed by AB 2967 (O'Donnell, 2020) which provided the same protection in the PERL.”

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

SUPPORT: (Verified 8/28/25)

California Professional Firefighters

OPPOSITION: (Verified 8/28/25)

None received

ARGUMENTS IN SUPPORT:

According to the California Professional Firefighters:

“This measure closes an unintended loophole within the CERL to ensure that all employees are provided with a secure retirement.”

ASSEMBLY FLOOR: 69-3, 8/28/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, Elhawary, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NOES: DeMaio, Ellis, Macedo

NO VOTE RECORDED: Alvarez, Berman, Dixon, Gallagher, Sanchez, Tangipa, Valencia

Prepared by: Glenn Miles / L., P.E. & R. / (916) 651-1556
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