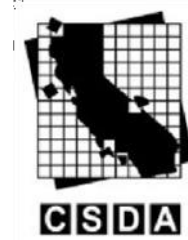




LEAGUE OF
**CALIFORNIA
CITIES**



LAUSD
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CaliforniaTransit
Association



SENATE FLOOR ALERT

Assembly Bill 1383 (McKinnor) Public Employees' Retirement Benefits.

[As Amended July 1, 2026]

“NO” VOTE REQUESTED

- **Does Not Apply to Just Firefighters and Police.** Although adjustments to retirement age apply to PEPR safety plans (e.g., fire and police), the bill also significantly increases the maximum pensionable compensation cap for the all of the highest paid employees to as much as \$249,075, not just for fire and police. This provision alone accounts for \$4.2 billion of the cost estimated by CalPERS.
- **Massive New Costs to the State, Local Governments, Schools, and Employees.** Would increase benefits for safety employees and highly compensated employees, while significantly increasing pension obligations for public agencies and employees by reversing key stabilizing reforms enacted under PEPR. CalPERS estimates at least \$4.8 billion in costs, and potentially as much as approximately \$8.2 billion. For schools this is a drain on Proposition 98 funding. These estimates do not include costs to county retirement systems or independent public pension systems.
- **Creates Inequities for Rank-and-File Employees.** Lower-compensated PEPR employees could see direct impacts to their paycheck despite not benefiting from the bill. The bill's bargainable safety tier may also exacerbate recruitment and retention issues for safety members at some agencies.
- **Unfunded Mandate on Local Budgets.** For schools, local educational agencies (LEAs) are facing fiscal strains due to declining enrollment and growing special education program demands. For counties, implementation of H.R. 1. is expected to result in up to \$9.5 billion in new annual costs to counties once fully implemented as it fundamentally shifts certain fiscal responsibilities for safety net programs to counties. While we value the sacrifices of public safety employees, AB 1383 would significantly add to existing budget instability.

We respectfully **request your “NO” vote** on **AB 1383.**

For more information, please contact Johnnie Piña, League of California Cities: jpina@calcities.org