



GOVERNANCE, TRANSPARENCY, AND LABOR RELATIONS POLICY COMMITTEE

Highlights

June 4, 2026

ATTENDANCE

Members: Jill McLewis (Vice Chair); Dana Anderson; Jan Arbuckle; Angelica Avila; Dan Buckshi; Sara Castro; Jennifer Cervantez; Eric Cundieff; Omar Dadabhoy; Bobby Davis; Kathleen Foster; Angelica Frausto-Lupo; Angel Galache; Mary Hao; Michael Hao; Michael Harris; Britt Huff; Bill Hussey; Randi Johl; Jeff Jones; Michael MacDonald; Katherine Mirassou; Brian Mohan; Alvaro Nunez; Cerina Otero; Travis Paden; Chelsea Palacio; La Vonda Pearson; Thai Viet Phan; Farbod Pirouzmand; Chaps Poduri; Pam Powell; Natalie Rogers; Blair Sewart; Toni Taber; Jerrod Vanlandingham; Nathan Vosburg; Rakesha Voss; Wendy Wood; Yajing Zhang

Staff: Johnnie Pina, Legislative Advocate

I. Welcome and Introductions

II. Public Comment

Vice Chair McLewis opened the floor for public comment. No public comment was provided.

III. General Briefing

Johnnie Pina provided a general briefing on the Governor's May Revision, highlighting improved state revenues since the January budget proposal, largely driven by strong stock market performance. Members also received an overview of the revised state budget, reserve levels, and a proposal to apply sales and use taxes to certain digital software and software-as-a-service products.

IV. Legal Update

Emily Taylor, Senior Deputy General Counsel for Cal Cities, provided an update on significant court decisions and legal issues affecting California cities. This update covered topics such as a city's bargaining obligations, Fair Employment and Housing Act claims, Public Records Act litigation, prevailing wage requirements for contractors and recent CalPERS actions concerning post-retirement reimbursement policies.

V. General CalPERS Update

Brad Pacheco, Deputy Executive Officer for Communications and Stakeholder Relations at CalPERS, provided an update on the health of the pension system and upcoming initiatives.

Pacheco reported CalPERS current funded status and that investment markets have continued to perform well, with strong returns through the spring. He noted that CalPERS anticipates announcing investment performance later in the summer and is transitioning to its new Total Portfolio Approach beginning July 1.

Committee members asked several questions regarding AB 1383, including implementation timelines and updated cost estimates. CalPERS staff explained that the legislation would become effective January 1, 2027, if enacted, without requiring additional board action. Members also discussed SB 1319, which would have required disclosure of private investment assets; staff noted the bill was held in Appropriations after CalPERS expressed concerns regarding increased costs.

VI. City Tort Liability Presentation

Faith Borges, Legislative Advocate with the California Association of Joint Powers Authorities (CAJPA), presented [an overview of liability trends affecting California public agencies](#) and discussed the growing challenges facing the municipal insurance market.

Data presented showed a 66% increase in large liability claims, with total liabilities growing from approximately \$451 million in 2018 to nearly \$2 billion today. She emphasized concerns that current liability trends could threaten local government financial stability and discussed ongoing conversations regarding potential tort reform.

VII. AB 1383 Survey Presentation

Johnnie Pina presented the results of Cal Cities' statewide survey regarding AB 1383, which proposes significant changes to public employee retirement benefits. Survey results indicated that while only a small number of responding cities had modeled the fiscal impacts of the proposal, there are significant concerns regarding the potential long-term fiscal implications for cities and reinforced Cal Cities' ongoing advocacy efforts related to the measure.

VIII. Legislative Update

Johnnie Pina provided an update on legislation pending before the Legislature affecting governance, transparency, labor relations, public records, elections, artificial intelligence, employee relations, and public retirement systems.

The committee received updates on several high-priority measures, including AB 1383 (McKinnor) regarding public employee retirement benefits, AB 1821 (Pacheco) relating to California Public Records Act response timelines, SB 1187 (Durazo) addressing Brown Act open meeting requirements, SB 1164 (Cervantes) regarding the California Voting Rights Act, and multiple measures regulating the use of artificial intelligence in public employment and local government operations.

IX. Adjourn

Next Virtual Meeting: Staff will notify committee members by **August 7** if the policy committee meets in September. If you have any questions, please contact [Meg Desmond](#), Cal Cities Program Manager, Legislative Administration.