

Date: September 16, 2026
To: Board of Retirement
From: Doris Rentschler, Executive Director
Subject: **SACRS 2027 Legislative Proposal**

Recommended Action:

Provide direction to the SACRS Voting Delegate to support the 2027 Legislative proposal as presented.

Fiscal and Financial Impacts:

There are no fiscal or financial impacts of providing voting direction on the SACRS 2027 legislative proposal. Additionally, the proposal does not increase costs to the system. However, if there are any fiscal impacts associated with any of the provisions, the cost would be presented as part future budgets for Board review and approval.

Strategic Plan Importance and Risk Assessment:

This does not relate to the Board's Strategic Plan. However, it is important to ensure that MCERA's voice is heard in our state association and on legislation that may impact MCERA.

Background and Discussion:

The 2027 SACRS legislative proposal, called the CERL Modernization Act, updates outdated provisions to align with modern practices, constitutional authority, and case law. Many of the proposed changes address statutory language that predates Proposition 162 from 1992 that granted retirement boards plenary authority over the administration and investment of retirement system assets (Article XVI, Section 17 of the California Constitution).

In part, the proposal includes removal of outdated statutory provisions regarding Board of Supervisor approval of actuarial and administrative functions now constitutionally vested in the Board of Retirement, including, but not limited to, the following:

- No longer requires Board of Supervisors approval of:
 - Board of Retirement Regulations,
 - Actuarial assumptions including interest rates and mortality rates,
 - Valuations and contribution rates
- Directs the Board of Retirement to declare an unopposed board of retirement candidate the winner of the election.

Attachment(s):

SACRS 2027 Legislative Proposal packet