CLEO

CALIFORNIA LOCAL ELECTED OFFICIALS

June 23, 2026

Senator Lola Smallwood-Cuevas
Chair
Senate Labor, Public Employment and Retirement Committee
1021 O Street, Suite 6740
Sacramento, CA 95814

AB 1383 WILL DO DEEP DAMAGE TO LOCAL GOVERNMENT FINANCES

Dear Senator Smallwood-Cuevas,

We, the undersigned, write with grave concern about the legislature's attempt to unwind some of the strongest PEPRA provisions guarding local government pension funds through Assembly Bill 1383 by Asm. Tina McKinnor.

If AB 1383 is enacted, local governments across California will face severe fiscal strain, including service cuts, credit downgrades, and impossible budget tradeoffs as rising pension obligations crowd out core public services. We know this because California has been down this road before and taxpayers and local governments are still paying the price.

The Public Employees' Pension Reform Act (PEPRA) was enacted in 2013 to protect public employee retirement accounts while ensuring local governments stay financially solvent over the long term. It is essential that California not repeat the mistakes that led to the pension crisis created in 1999 by Senate Bill 400 that ultimately necessitated the enactment of PEPRA.

Those reforms were not arbitrary constraints. They were the product of careful actuarial thinking and the lessons learned from the SB 400 disaster. The underlying reality has not changed: California cannot continue to expand pension benefits it lacks the fiscal capacity to fund.

Now, AB 1383 threatens to unravel PEPRA's common-sense pension protections, including the employee contribution requirement, without providing any new funding to local governments.

While the bill's author describes AB 1383 as targeted relief for public safety workers facing recruitment and retention challenges, the bill would instead create long-term financial burdens that could result in employee layoffs, service insolvency for local governments, and even unfunded pension obligations when local governments face fiscal collapse.

We are deeply committed to fair compensation and pension benefits for the dedicated men and women who serve in California's public safety workforce. However, if the legislature genuinely believes that public safety compensation needs to improve, there are fiscally responsible ways to accomplish that goal that do not create tens of billions of dollars in long-term unfunded liabilities, including increasing base pay, offering signing bonuses, or improving working conditions.

Without access to an independent analysis of the long-term impacts of the proposal, including a full actuarial analysis from CalPERS, or a real plan to pay for these dramatic increases in pension costs, we respectfully but firmly oppose AB 1383.

Sincerely,

Mari Barke

Mari Barke
Director
California Local Elected Officials (CLEO)|
President
Orange County Board of Education

Lisa Lane Barnes
City Clerk
City of Huntington Beach

Steve Campos
Trustee Area 1
Perris Union High School District

Pete Constant
Trustee
Roseville Joint Union High School District

Lori Eskew
Trustee
Kern County Board of Education

Bob Harden
Board President
Garden Grove Unified School District

Paul Keefer
Trustee
Sacramento County Board of Education

Rebecca Langenwalter
Trustee
Norwalk-La Mirada Unified School District

Steven Lewis
Trustee
Golden Valley Unified School District

Tom McDougall
Trustee
Mt. Diablo Unified School District

Candy Olson
Trustee
Redlands Unified School District

Maya Phillips
Board of Education Member
Ramona Unified School District

John Quintanilla
Trustee
Rosemead School District

Sonja Shaw
Board President
Chino Valley Unified School District

Lisa Sparks
Trustee
Orange County Board of Education

Nathan Steele
Council Member
City of Seal Beach

Julie A Testa
Councilmember
City of Pleasanton

Chuck Uribe
Trustee
Center Joint Unified School District

Emily Hibard
Councilmember
Los Alamitos