

ITEM 10 LEGISLATIVE UPDATE

Commission staff continues to monitor for legislation that might affect the mandates process.

AB 2640 Commission on State Mandates: state mandates¹

AB 2640 was introduced by Assembly Member Hadwick with coauthors Assembly Members Alanis and Ellis and Senators Niello and Seyarto on February 20, 2026 and sent to print. On February 21, 2026 this bill was received from the printer and may be heard in Committee on March 23, 2026. On March 9, 2026, this bill was referred to the Assembly Committees on Local Government and Education. On March 25, 2026, this bill passed and was re-referred to the Assembly Committee on Education. On April 1, 2026, this bill was set for first hearing, but it was canceled at the request of the author. On April 9, 2026, this bill was amended by the author and was re-referred to the Assembly Committee on Education where it was read a second time and amended. On April 13, 2026, this bill was re-referred to the Assembly Committee on Education. On April 23, 2026, this bill was passed and was re-referred to the Assembly Committee on Appropriations with a recommendation to the Consent Calendar. On May 6, 2026, this bill was set for first hearing and was referred to the Assembly Appropriations Committee suspense file. On May 14, 2026, this bill passed. On May 18, 2026, this bill was read a second time and ordered to third reading.

This bill amends Government Code section 17558.6.

Existing law creates the Commission on State Mandates and establishes procedures for implementing the requirement in the California Constitution that the state reimburse local agencies and school districts for certain costs mandated by the state. Existing law makes a reimbursement claim for actual costs filed by a local agency or school district subject to the initiation of an audit by the Controller and authorizes the Controller to make a field review of a claim after it has been submitted but before it has been reimbursed. Existing law requires the Controller to notify the claimant in writing within 30 days after issuance of a remittance advice of any adjustment to a claim for reimbursement that results from an audit or review.

This bill would, instead, require the Controller to notify the claimant in writing within 30 days of any adjustment that results from an audit or review. The bill would also require the Controller to allow a local agency or school district, at the sole discretion of the local agency or school district, to offset any reduced reimbursement, as prescribed, request an adjustment to the payment of claims, or to remit funds to the Controller.

¹ See https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB2640 for more information.

SB 414 School accountability: Office of the Education Inspector General: school financial and performance audits: charter school authorization, oversight, funding, operations, and networks: flex-based instruction: local educational agency contracting²

SB 414 was introduced by Senator Ashby on February 14, 2025, and was sent to the Senate Committee on Rules for assignment and to print. On February 18, 2025 this bill was received from the printer and on February 26, 2025, this bill was referred to the Senate Committee on Rules. On March 26, 2025, this bill returned from the Senate Committee on Rules with the author's amendments, was read a second time and amended, and was re-referred to the Senate Committee on Rules. On April 2, 2025, this bill was re-referred to the Senate Committee on Education and the Senate Judiciary Committee. On April 4, 2025, this bill was set for hearing on April 23, 2025 and on April 22, 2025, this bill was set for hearing on April 29, 2025 in the Senate Judiciary Committee, pending receipt. On April 23, 2025 this bill passed and was re-referred to the Senate Judiciary Committee. On April 30, 2025, this bill passed as amended and was re-referred to the Senate Committee on Appropriations. On May 1, 2025, this bill was read a second time and amended, and was re-referred to the Senate Committee on Appropriations. On May 9, 2025, this bill was set for hearing on May 19, 2025. On May 19, 2025, this bill was placed on the Senate Committee on Appropriations suspense file. On May 20, 2025, this bill was set for hearing on May 13, 2025. On May 23, 2025, this bill passed, was read a second time, and was ordered to a third reading. On June 2, 2025, this bill was read a third time, passed, and was ordered to the Assembly. On June 3, 2025, this bill was read for the first time in the Assembly and was held at desk. On June 9, 2025, this bill was referred to the Assembly Committees on Education and Judiciary. On July 8, 2025, this bill with the author's amendments was read a second time, amended, and was re-referred to the Assembly Committee on Education. On July 17, 2025, this bill was suspended by Assembly Rule 63. On July 18, 2025, this bill passed as amended and was re-referred, was read a second time and amended, and was referred to the Assembly Committee on Appropriations. On August 20, 2025, this bill was set for first hearing and was placed on the Assembly Committee on Appropriations suspense file. On August 29, 2025, the bill passed as amended and on September 2, 2025, this bill was read a second time, amended, and ordered to a second reading. On September 3, 2025, this bill was read a second time and ordered to a third reading. On September 9, 2025, this bill was suspended per Joint Rule 61(a)(13), was read a third time and amended, and was ordered to a third reading. On September 13, 2025, this bill was suspended per Joint Rule 61(a)(14) and 51(a)(4), was read a third time, passed, and was ordered to the Senate with concurrence in Assembly amendments pending that were concurred in and this bill was ordered to engrossing and enrolling. On September 23, 2025, this bill was enrolled and presented to the Governor at 2:00 pm. On October 13, 2025, this bill was vetoed by the Governor and remained in the Senate pending consideration of the Governor's veto. On March 2, 2026, this bill was stricken from the file and the veto sustained.

In pertinent part, section 14 of this bill would have provided:

² See https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260SB414 for more information.

(14) Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local agency, the state is required to provide a subvention of funds to reimburse the local agency, with specified exceptions. Existing law, for purposes of this reimbursement, defines “local agency” to include any city, county, special district, authority, or other political subdivision of the state.

This bill, for purposes of the above-described state reimbursement, would explicitly add any charter school to the definition of local agency.

AB 964 Commission on State Mandates: state mandates³

AB 964 was introduced by Assembly Member Hadwick on February 20, 2025. On March 10, 2025 this bill was referred to the Assembly Committees on Local Government and Education. On March 27, 2025 this bill was amended and re-referred to the Assembly Committee on Local Government, read a second time, and amended. On April 23, 2025, this bill was passed and re-referred to the Assembly Committee on Education, where it was amended, read a second time, and amended. On April 24, 2025, this bill was re-referred to the Assembly Committee on Education. On May 1, 2025, this bill was passed and re-referred to the Assembly Committee on Appropriations with a recommendation to the Consent Calendar and was re-referred to the Assembly Committee on Appropriations. On May 14, 2025, this bill was set for first hearing and was referred to the Assembly Committee on Appropriations suspense file. On May 23, 2025, this bill was held under submission. On January 31, 2026, this bill died pursuant to Article IV, Section 10(c) of the Constitution. On February 2, 2026, this bill was filed with the Chief Clerk pursuant to Joint Rule 56.

Existing law creates the Commission on State Mandates and establishes procedures for implementing the requirement in the California Constitution that the state reimburse local agencies and school districts for certain costs mandated by the state. Existing law makes a reimbursement claim for actual costs filed by a local agency or school district subject to the initiation of an audit by the Controller, and authorizes the Controller to make a field review of a claim after it has been submitted but before it has been reimbursed. Existing law requires the Controller to notify the claimant in writing within 30 days after issuance of a remittance advice of any adjustment to a claim for reimbursement that results from an audit or review.

This bill would have required the Controller to notify the claimant in writing within 30 days of any adjustment that results from an audit or review. The bill would also have required the Controller to allow a local agency or school district, at the sole discretion of the local agency or school district, to offset any reduced reimbursement, as prescribed, or to remit funds to the Controller.

AB 1452 State Mandates: claims⁴

AB 1452 was introduced by Assembly Member Ta on February 21, 2025, it was read for the first time on February 24, 2025, and may be heard in committee March 24, 2025. On March 13, 2025, this bill was referred to the Assembly Committee on Local Government.

³ See https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB964 for more information.

⁴ See https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB1452 for more information.

On January 31, 2026, this bill died pursuant to Article IV, Section 10(c) of the Constitution and on February 2, 2026, this bill was filed with the Chief Clerk pursuant to Joint Rule 56.

This bill amends Government Code section 17564.

The California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, including school districts, requires the state to provide a subvention of funds to reimburse the local government, unless an exception applies. Statutory provisions that establish procedures for making that reimbursement include a requirement that no claim shall be made or paid unless it exceeds \$1,000.

This bill would have changed the minimum claim amount to \$800.

AB 395 Holidays.⁵

AB 395 was introduced by Assembly Member Gabriel on February 3, 2025 and was read for the first time. On March 28, 2025, this bill was referred to the Assembly Committees on Education and Higher Education, was amended, was re-referred to the Assembly Committee on Education, was read a second time, and amended. On April 1, 2025, this bill was re-referred to the Assembly Committee on Education. On April 10, 2025, this bill was amended, passed as amended, and was re-referred to the Assembly Committee on Higher Education with recommendation to the Consent Calendar. On April 21, 2025, this bill was read a second time and amended. On April 22, 2025, this bill was re-referred to the Assembly Committee on Higher Education. On April 30, 2025, this bill was amended, passed as amended, and was re-referred to the Assembly Committee on Appropriations with recommendation to the Consent Calendar. On May 1, 2025, this bill was read a second time and amended. On May 5, 2025, this bill was re-referred to the Assembly Committee on Appropriations. On May 14, 2025, this bill was set for first hearing and referred to the suspense file. On May 23, 2025, this bill passed and on May 27, 2025, this bill was read a second time and ordered to the third reading. On June 2, 2025, this bill was read for a third time, passed, and ordered to the Senate. On June 3, 2025, this bill was read in the Senate for the first time and ordered to the Senate Rules Committee for assignment. On June 11, 2025, this bill was referred to the Senate Committees on Education and Judiciary. On June 25, 2025, this bill was amended, passed as amended, and re-referred to the Senate Committee on Judiciary with a recommendation to the Consent Calendar. On June 26, 2025, this bill was read a second time, amended, and was re-referred to the Senate Committee on Judiciary. On July 7, 2025, this hearing on this bill was postponed and on July 14, 2025, this bill was set for first hearing but it was cancelled at the request of the author. There has been no new action on this bill.

In pertinent part, this bill provides:

The Bagley-Keene Open Meeting Act and the Ralph M. Brown Act require, with specified exceptions, that all meetings of specified governmental bodies be open and public and all persons be permitted to attend. This bill would require a state agency to make every reasonable effort to avoid conducting any meeting, conference, or other function on a date

⁵ See https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260AB395 for more information.

for which the state agency knows, or has reason to know, that members of the public would be unable to participate or be present due to the ritual observance of a religious, cultural, or ancestral holiday, including, among others, Eid al-Adha, Rosh Hashanah, and Diwali. The bill would also encourage a legislative body of a local agency to consider making efforts to avoid conducting any meeting, conference, or other function on a date for which the legislative body knows, or has reason to know, that members of the public would be unable to participate or be present due to the ritual observance of a religious, cultural, or ancestral holiday, including, among others, the holidays listed above; specifically:

- (1) Eid al-Adha. (the evening of Tuesday, May 26 – Wednesday May 27, 2026)
- (2) Eid al-Fitr. (the evening of Thursday, March 19 – Friday, March 20, 2026)
- (3) Feast of the Nativity. (Tuesday, September 8, 2026)
- (4) Maha Shivaratri. (Sunday, February 15, 3:34 a.m. – Monday February 16, 2026, 4:04 a.m.)
- (5) The first and last two days of Pesach, also known as Passover. (Wednesday, April 1, Wednesday, April 8, and Thursday, April 9, 2026)
- (6) Rosh Hashanah. (the evening of Friday, September 11 – Sunday, September 13, 2026)
- (7) Yom Kippur. (the evening of Sunday, September 20 – Monday, September 21, 2026)
- (8) Diwali. (Sunday, November 8, 2026)
- (9) Dussehra. (Tuesday, October 20, 2026)