

ITEM 7

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. On May 26, 2026, this bill was read a third time, passed, and ordered to the Senate. On May 27, 2026, this bill was read for the first time in the Senate and was ordered to the Senate Rules Committee for assignment. On June 10, 2026, this bill was referred to the Senate Committee on Local Government. On June 17, 2026, this bill was amended, passed as amended, and was re-referred to the Senate Appropriations Committee with recommendation to the Consent Calendar. On June 18, 2026, this bill was read a second time, amended, and re-referred to the Senate Appropriations Committee. On June 29, 2026, this bill was referred to the Senate Appropriations Committee suspense file. 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.

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

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 allow a local agency or school district, upon receipt of the notice, to elect, at its discretion, to have the Controller offset any reduced reimbursement, as prescribed, or to adjust the payment of claims.

SB 1439 Local Government: Omnibus bill²

SB 1439 was introduced by the Senate Committee on Local Government, Senators Durazo, Arreguin, Ashby, Cervantes, Choi, Laird, and Seyarto on March 11, 2026 and was sent to the Senate Rules Committee for assignment and to print. On March 18, 2026 this bill was referred to the Senate Committee on Local Government. On April 2, 2026, this bill was set for hearing on April 15, 2026. On April 15, 2026, this bill passed and was ordered to the Consent Calendar. On April 16, 2026, this bill was read a second time and was ordered to the Consent Calendar. On April 23, 2026, this bill was read a third time, passed, and was ordered to the Assembly. On April 23, 2026, this bill was read for the first time in the Assembly and was held at desk. On May 4, 2026, this bill was referred to the Assembly Committee on Local Government. On June 18, 2026, this bill was amended, was read a second time and amended, and was re-referred to the Assembly Committee on Local Government. On July 2, 2026, this bill passed and was ordered to the Consent Calendar.

This bill amends Government Code section 17560.

The California Constitution requires the state to provide a subvention of funds to reimburse the local government for the costs of a new program or a higher level of service, with specified exceptions, when the Legislature or a state agency mandates a new program or higher level of service on any local government, including school districts. Existing law, in the event that revised claiming instructions are issued by the Controller between November 15 and February 15, provides a local agency or school district filing an annual reimbursement claim with 120 days following the issuance date of the revised instructions to file a claim.

Among other things, this bill would instead apply that provision if the revised claiming instructions are issued by the Controller between October 19 and February 15.

AB 126 Education finance: education omnibus trailer bill³

AB 126 was introduced by the Assembly Committee on Budget (Assembly Members Gabriel, Addis, Ahrens, Alvarez, Bennet, Bonta, Caloza, Connolly, Fong, Haney, Hart, Jackson, Lee, Ortega, Patel, Petrie-Norris, Quirk-Silva, Ramos, Rogers, Schiavo, Schultz, Sharp-Collins, Solache, Stefani, Ward, and Wilson) on January 8, 2025. On February 3, 2025, this bill was referred to the Assembly Committee on Budget. On March 17, 2025 this bill was withdrawn from committee and ordered to a second reading. On March 18, 2025, this bill was read a second time and ordered to third reading. On March 20, 2025, this bill was read a third time, passed, was ordered to the Senate, was read for the first time, and was sent to the Senate Committee on Rules for assignment. On

² See https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=202520260SB1439

³ See https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=202520260AB126

April 2, 2025, this bill was referred to the Senate Committee on Budget and Fiscal Review and on June 25, 2025, the hearing on this bill was postponed by the committee.

On June 26, 2026, this bill was amended by the author, re-referred to committee, read a second time, amended, and re-referred to the Senate Committee on Budget and Fiscal Review. On June 29, 2026 this bill was read a second time and ordered to third reading. On July 2, 2026, this bill was read a third time, passed, and ordered to the Assembly with concurrence in Senate amendments pending. Also on July 2, 2026, with Assembly Rule 63 suspended and Senate amendments concurred in, this bill was ordered to Engrossing and Enrolling, was Enrolled, and was presented to the Governor at 3:00 pm. On July 9, 2026, this bill was approved by the Governor and chaptered by the Secretary of State.

This bill amends Government Code section 17581.6.

Existing law requires certain funds appropriated in the annual Budget Act for reimbursement for the cost of a new program or increased level of service of an existing program mandated by statute or executive order to be available as a block grant to school districts, charter schools, and county offices of education, to support specified state-mandated local programs. Existing law provides that a school district, charter school, or county office of education that submits a letter requesting funding to the Superintendent and receives this block grant funding is not eligible to submit a claim for reimbursement for those specified mandated programs for the fiscal year in which the block grant funding is received.

Among other things, this bill would add to the list of programs that are authorized for block grant funding in lieu of program-specific reimbursement to include requirements relating to the Menstrual Equity for All Act of 2021 (*Public School Restrooms: Menstrual Products*, 22-TC-04).

SB 126 Education finance: education omnibus trailer bill⁴

SB 126 was introduced by the Senate Committee on Budget and Fiscal Review on January 23, 2025. On February 2, 2025, this bill was referred to the Senate Committee on Budget and Fiscal Review. On March 17, 2025, this bill was withdrawn from committee and ordered to a second reading. On March 18, 2025, this bill was read a second time and ordered to third reading. On March 20, 2025, this bill was read a third time, passed, was ordered to the Assembly, was read for the first time, and was held at desk. On March 24, 2025, this bill was referred to the Assembly Committee on Budget.

On June 26, 2026, this bill was amended by the author, read a second time, amended, and re-referred to the Assembly Committee on Budget. On June 29, 2026, this bill was withdrawn from committee pursuant to Assembly Rule 96 and Assembly Rule 63 was suspended. On July 2, 2026, this bill was re-referred to the Assembly Committee on Budget pursuant to Assembly Rule 97.

This bill amends Government Code section 17581.6.

Existing law requires certain funds appropriated in the annual Budget Act for reimbursement for the cost of a new program or increased level of service of an existing program mandated by statute or executive order to be available as a block grant to school districts, charter

⁴ See https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260SB126

schools, and county offices of education, to support specified state-mandated local programs. Existing law provides that a school district, charter school, or county office of education that submits a letter requesting funding to the Superintendent and receives this block grant funding is not eligible to submit a claim for reimbursement for those specified mandated programs for the fiscal year in which the block grant funding is received.

Among other things, this bill would add to the list of programs that are authorized for block grant funding in lieu of program-specific reimbursement to include requirements relating to the Menstrual Equity for All Act of 2021 (*Public School Restrooms: Menstrual Products*, 22-TC-04).

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. On July 8, 2026, this bill was amended, passed as amended, re-referred to the Senate Committee on Appropriations with recommendation to the Consent Calendar, read a second time and amended and re-referred to the Senate Committee on Appropriations.

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 good faith,

⁵ See https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=20250260AB395 for more information.

reasonable efforts to avoid conducting any meeting, conference, or other function on a date 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)

This bill would now authorize a person who has suffered harm as a result of a violation of certain of the above provisions to bring a civil action for injunctive relief, as provided.