



Government Finance and Administration Policy Committee Meeting
CSAC Legislative Conference
Wednesday, May 20 — 1:30 pm – 3:30 pm
SAFE Credit Union Convention Center, Ballroom B3
Sacramento County, California

Supervisor Angela Curro, San Benito County, Chair
Supervisor Heather Moreno, San Luis Obispo County, Vice Chair
Supervisor Yxstian Gutierrez, Riverside County, Vice Chair

- 1:30 pm** **I. Welcome and Introductions**
Supervisor Angela Curro, San Benito County, Chair
Supervisor Heather Moreno, San Luis Obispo County, Vice Chair
Supervisor Yxstian Gutierrez, Riverside County, Vice Chair
- 1:35 pm** **II. May Revision Overview: State Fiscal Outlook**
Carolyn Chu, Deputy Legislative Analyst, Legislative Analyst’s Office (LAO)
- 1:55 pm** **III. The Role of AI in Today’s Workforce: A Cross-Sector Conversation**
Marc Shorr, Chief Information Officer, Contra Costa County
Beth Malinowski, Government Relations Advocate, Service Employees International Union (SEIU) California
Andrea Lynch, Policy Advocate, California Chamber of Commerce
- 2:40 pm** **IV. Legislative Update**
Emma Jungwirth, CSAC Senior Legislative Advocate
Eric Lawyer, CSAC Senior Legislative Advocate
- 3:00 pm** **V. Artificial Intelligence and the Legislative Landscape**
Senator Christopher Cabaldon, Chair, Senate Privacy, Digital Technologies and Consumer Protection
- 3:30 pm** **VI. Adjournment**

For a digital copy of these materials, please use this QR code:



May 18, 2026

To: CSAC Government Finance and Administration Policy Committee

From: Emma Jungwirth, Senior Legislative Advocate
Eric Lawyer, Senior Legislative Advocate
Julissa Ceja Cardenas, Legislative Analyst

Re: May Revision Overview: State Fiscal Outlook

Summary:

The May Revision is an update to the Governor’s proposed January budget, released by May 14 each year. It includes new estimates for the state’s economy and revenues, updates proposed spending based on the latest information, and may revise, add, or remove policy proposals from the January budget. On May 14, 2026, the Governor released the May Revision for consideration by the Legislature for upcoming fiscal year. Today, the Legislative Analyst’s Office (LAO), the legislature’s nonpartisan fiscal and policy advisor, will provide an update on California’s fiscal outlook and the condition of the state’s economy.

Speaker:

- Carolyn Chu, Deputy Legislative Analyst, Legislative Analyst’s Office (LAO)

Background:

The Governor’s January budget proposal projected state General Fund revenues to be more than \$40 billion higher across the budget window (fiscal years 2024-25, 2025-26, and 2026-27) than previously forecasted at the enacted 2025 Budget Act. While the budget was balanced in 2026-27, with total General Fund expenditures of \$248.3 billion and a discretionary reserve of \$4.5 billion, the Administration projected a General Fund deficit of roughly \$22 billion in 2027-28, growing to approximately \$67 billion by 2029-30. Rather than attempting to address the deficits in January, the Administration waited until May Revision when updated revenue numbers are available to determine whether the state is able to provide new investments while also balancing the budget in 2026-27 and 2027-28.

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The state's fiscal position has continued to improve since the Governor's January Budget. The Administration estimates revenues from the Big Three sources (personal income, corporate, and sales and use taxes) are \$16.5 billion higher than projected in January over the budget window (2024-25, 2025-26, and 2026-27), primarily due to a \$13.6 billion increase in personal income tax revenues boosted by a 2025 spike in capital gains realizations.

Outside of the constitutionally required spending for Proposition 98 (education) and Proposition 2 (reserves), the May Revision does not propose any significant new ongoing expenditures. Instead of committing to higher spending in 2026-27, the Administration allocated \$9.7 billion into the Projected Surplus Temporary Holding Account to set aside funds in 2026-27 to spend in 2027-28. This maneuver helps the Administration achieve a positive operating balance in 2027-28.

While revenue projections have continued to increase, the Administration's commitment to balance the budget for the next two fiscal years and address the projected ongoing budget deficits resulted in the proposal for both revenue and spending solutions.

This presentation will cover the LAO's initial thoughts on state revenues and expenditures.

May 18, 2026

To: CSAC Government Finance and Administration Policy Committee

From: Emma Jungwirth, Senior Legislative Advocate
Eric Lawyer, Senior Legislative Advocate
Julissa Ceja Cardenas, Legislative Analyst

Re: **The Role of AI in Today's Workforce: A Cross-Sector Conversation**

Summary: This cross-sector panel discussion will allow county leaders, private-sector, and labor representatives to share their perspectives on artificial intelligence (AI) in the workplace and engage in a meaningful conversation that considers the county context.

Guest Speakers:

- Marc Shorr, Chief Information Officer, Contra Costa County
- Beth Malinowski, Government Relations Advocate, Service Employees International Union (SEIU) California
- Andrea Lynch, Policy Advocate, California Chamber of Commerce

Background:

Technology is advancing at an unprecedented pace, and recent developments in automation and AI have created new opportunities to improve service delivery, drive innovation, and support workforces in meeting the rising needs of their communities.

At the same time, labor representatives and others have raised concerns about the possibility for AI to displace workers and disrupt the workplace. Advocates have raised concerns regarding the use of workplace surveillance technology and monitoring tools that could risk employees' privacy, enable discriminatory practices, and lack transparency.

The public and private sectors are at varied stages with AI and automated decision-making systems (ADS). Many counties, for example, have adopted responsible AI policies that address lessons learned, practical use cases, and key considerations for workforce-ready AI systems. Increasingly, public agencies are bargaining over the use of AI, ADS, and other workplace technologies. Counties across the state are at differing stages of AI exploration and implementation that aim to address differences in workforce capacities, resources, and

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responsibilities to their constituents. The private sector generally has greater flexibility to implement and experiment with AI and ADS in the workplace, while public agencies must take into consideration pre-existing collective bargaining agreements, requirements to meet and confer over changes to the workplace, established job classifications, and data security and privacy risks.

Several bills moving through the legislature seek to address many of the concerns raised by labor representatives. They advocate for legislation that ensures workers are informed on the use of such technologies and prevents job displacement. Public agency representatives and private sector employer groups have raised concerns could restrict tools already in use, including efficiencies for public benefit enrollment, wildfire detection, or safety monitoring for critical infrastructure. Public agencies and other employers have also raised concerns that these bills create significant new costs and liabilities. These include extensive compliance measures and administrative burdens, as well as direct liability for legal fees, defense costs, and direct fines.

How can public agencies and private sector employers adopt new technologies without disruptions to the workforce? What kind of workforce development is needed to adapt to those disruptions? What are appropriate ways to regulate new technologies without stifling innovation? How should the legislature reckon with these questions?

This panel will bring together several perspectives to examine these and other questions about how policies can protect employees without restricting or burdening employers. This discussion will identify opportunities for balanced approaches to legislation that carefully considers each perspective.

Attachments:

- Attachment 1: Contra Costa County, Office of the County Administrator, Administrative Bulletin 145 on Artificial Intelligence Policy
- Attachment 2: Contra Costa County, Office of the County Administrator Memorandum on Administrative Bulletin 145 on Artificial Intelligence Policy

Contra Costa County
Office of the County Administrator

ADMINISTRATIVE BULLETIN

Number: 145
Date: May 22, 2025
Section: General

SUBJECT: Artificial Intelligence Policy

- I. **PURPOSE.** Artificial Intelligence (AI) has been around for generations but has become more prevalent recently with the evolution of Generative AI technologies that can create written, audio, and visual content at a user’s direction. AI’s primary strength lies in its ability to analyze vast amounts of data and make predictions and decisions. As such, the recent exponential growth of AI has the potential to improve the County’s internal operations and enhance public services.

This bulletin acknowledges the transformative potential of AI and sets forth a policy to encourage its use within the County workplace. The aim is to enhance productivity and improve public service delivery while ensuring transparency, accountability, and fairness. The policy also underscores the importance of safeguarding individual privacy and maintaining the security of the County's systems and data.

- II. **AUTHORITY.** In accordance with County Ordinance Code Section 24-4.008, the County Administrator is responsible for overseeing and coordinating County departments and has authority and responsibility to implement administrative bulletins.
- III. **APPLICABILITY.** This policy applies to County employees, contractors, and third parties who use AI to perform work on behalf of the County (collectively, Users).
- IV. **DEFINITIONS.**

A. Artificial Intelligence. For purposes of this bulletin, Artificial Intelligence (AI) encompasses each of the following forms of AI.

1. Traditional AI. Traditional AI (also known as Algorithmic AI) is the simulation of human intelligence processes in machines by following rules and algorithms prepared by human creators. Traditional AI is used for data analysis, pattern recognition, and making predictions. For

example, traditional AI can be trained to recognize and classify images of trees and flowers.

2. Generative AI. Generative AI is the simulation of human intelligence processes based on machine learning, meaning a machine's recognition of patterns it has come to recognize by reviewing large amounts of data. Generative AI can create new content in response to prompts from humans, such as generating human-like conversations and creating images.
 3. Agentic AI. Agentic AI focuses on autonomous decision-making and task execution. Agentic AI typically operates with a higher level of autonomy vs. Generative AI, which still relies on human prompts and oversight, allowing Agentic AI to complete more complex, multi-step and goal-oriented tasks that require reasoning and strategic planning.
- B. AI Tool. Any software, application, or system that can independently change its own analytical methods and utilizes AI, machine learning, or other advanced algorithms to perform tasks, analyze data, or assist in making decisions. An AI Tool may use Traditional AI, Generative AI, or Agentic AI.
- C. Protected Health Information (PHI). Information that was created, used, or disclosed during the provision of health care and that can be used to identify a person.
- D. Personally Identifiable Information (PII). Information that includes an individual's first name or initial and last name in combination with any one or more of the following:
1. Social Security number (SSN);
 2. Driver's license number or state-issued identification card number;
 3. Financial account number, credit card number, or debit card number in combination with any required security code, access code, or password such as expiration date or mother's maiden name that could permit access to an individual's financial account;
 4. Medical information (any information regarding an individual's medical history, mental or physical condition, or medical treatment or diagnosis by a healthcare professional); or

5. Health insurance information (an individual's health insurance policy number or subscriber identification number, any unique identifier used by a health insurer to identify the individual, or any information in an individual's application and claims history, including any appeals records).

V. USE OF AI TOOLS. If a County department determines the use of AI would be beneficial for improving services or operations, the department may authorize the use of AI, subject to the following considerations:

A. Privacy and Security.

1. Confidential and Sensitive Information. Users may not enter confidential or otherwise sensitive information into AI Tools, except as otherwise provided in Section V.A.2. Examples of sensitive information include, but are not limited to, the following types of information:
 - a. Personally Identifiable Information (PII);
 - b. Protected Health Information (PHI);
 - c. Information that is prohibited from disclosure by law;
 - d. Content of attorney-client communications;
 - e. Information that could compromise the security of the County or County systems; and
 - f. Any other confidential or sensitive information.

Questions concerning whether data is prohibited from disclosure by law should be directed to the County Counsel's Office.

2. Exceptions. Users may enter confidential or sensitive information into an AI Tool only if all the following criteria are met:

For Third-Party AI Tool Solutions (sometimes referred to as "off the shelf" solutions):

- a. The County has a contract with the vendor of the AI Tool that limits the use of any data entered solely for County purposes;
- b. The agreement provides adequate security and safeguards against misuse of the data as set forth in [Security Standards for Technology Contracts](#), which can be found on the website of the Department of Information Technology (DoIT) or can be obtained by emailing doitcustomer@doit.cccounty.us; and

- c. The contract includes: (1) adequate indemnification to protect against confidentiality and security and intellectual property claims; and (2) adequate cyber-insurance, as determined by the Risk Management department.

For County Developed AI Tool Solutions:

- d. The Department has worked in collaboration with DoIT to develop the AI Tool; or
- e. DoIT has reviewed and determined that the AI Tool meets security standards equivalent to those set forth in [*Security Standards for Technology Contracts*](#).

B. Public Use.

- 1. Transparency. County departments are responsible for informing members of the public when they are interacting with an AI Tool. Members of the public should be offered an “opt out” alternative to using the AI Tool, if possible.
- 2. Entry of Confidential Data. Members of the public should never be prompted to enter potentially confidential or sensitive information into an AI Tool unless the AI Tool has been approved for that use, as set forth in Section V.A.2.

VI. USE OF AI GENERATED CONTENT.

- A. Decision Making. AI Tools may be used to inform a User’s decision-making process but are not a substitute for human judgment. If an AI Tool is used to assist in the decision-making process, AI-generated content should only be one of the factors a User considers in reaching a decision. The Department Head and Users are ultimately responsible for their decisions and the impact of their decisions while using AI Tools.
- B. Original Work. Users may not represent work generated by an AI Tool as their own original work and shall disclose that AI Tools were used in the decision-making process when that process is determined to be material.
- C. Accuracy.
 - 1. Verification. AI-generated content shall be verified by a County employee to ensure its accuracy.

2. Fairness. Departments must monitor AI-generated content to ensure the content does not contain biases, particularly those based on race, sex, or other legally protected characteristics.

D. Additional Rules. Departments may develop supplementary rules to address specific business needs unique to their operations. However, such rules must remain aligned with the County's overarching objective of advancing the use of AI tools to enhance and optimize public service delivery.

VII. REPORTING THE INCORRECT USE OF AI TOOLS. Entry of confidential or otherwise sensitive information into an AI Tool that does not fall within the exception provided in Section V.A.2. must immediately be reported to DoIT at doitcustomercare@doit.cccounty.us. Employees will follow this policy in accordance with Administrative Bulletin (AB) 140, "Internet Usage," AB 144, "Information Security," AB 541, "County's Owned and Issued Electronic Communication Devices," the Personnel Management Regulations, and applicable Memorandums of Understanding (MOUs) regarding professional conduct.

VIII. CONTINUED LEARNING. As County provided AI training becomes available, County departments must require Users within the department to complete the training to ensure appropriate use of AI, data handling, and adherence to County policies. Users will be required to attend updated training as AI evolves.

Originating Department: Department of Information Technology

/S/
Monica Nino,
County Administrator

RESOURCES:

Security Standards for Technology Contracts
Administrative Bulletin 140, "Internet Usage"
Administrative Bulletin 144, "Information Security Policy"
Administrative Bulletin 541, "County's Owned and Issued Electronic Communication Devices"

County Administrator

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Monica Nino
County Administrator

Contra Costa County



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OFFICE OF THE COUNTY ADMINISTRATOR MEMORANDUM

DATE: May 23, 2025

TO: Department Heads

FROM: MONICA NINO, County Administrator

A handwritten signature in blue ink that reads "Monica Nino".

SUBJECT: **Administrative Bulletin No. 145, "Artificial Intelligence Policy"**

The County is embracing the use of Artificial Intelligence (AI) to improve service delivery to our residents. To ensure that the deployment of AI across our multiple business lines is done in a coordinated and responsible way, the County Administrator's Office, together with the Department of Information Technology (DoIT), is issuing Administrative Bulletin No. 145, "Artificial Intelligence Policy." Below are some Key Policy Highlights of this new policy:

Key Policy Highlights

- Use of AI Tools – Departments are encouraged to adopt Microsoft Copilot and other County selected AI tools for operational improvements, provided risks are appropriately managed and security safeguards are in place.
- Privacy and Security – Confidential and sensitive data must not be entered into AI tools unless explicitly protected under information security agreements with vendors.
- Public Transparency – Departments must inform the public when AI tools are being used and offer opt-out alternatives.
- AI-Generated Content – AI may assist decision-making but cannot replace human judgment. Content accuracy and fairness must be monitored to prevent bias.
- Reporting and Training – Misuse of AI tools must be reported, and ongoing AI training will be required for employees as policies and technologies evolve.

Next Steps

Microsoft Copilot

Building on the County's Microsoft-based ecosystem, DoIT will be evaluating the integration of Microsoft Copilot as a tool to assist certain employees in their day-to-day work for the County. Procurement of licenses will be managed by DoIT through the County's centralized Master Services Agreement (MSA) with Microsoft to ensure that the public sector compliant version of Copilot, known as Microsoft 365 Copilot for Government, is deployed. DoIT is currently working to implement the required security and data protections in preparation to MS Copilot adoption, anticipated to be completed by Q1 of FY25-26.

DoIT is planning a pilot program to conduct this evaluation and is interested in hearing from department heads that may be interested in participating in this project. Please reach out to [DoIT Customer Care](#) or directly at doitcustomercare@doit.cccounty.us if your department is interested in participating in the Microsoft Copilot pilot program.

Countywide AI Consultant Pool

The County Administrator's Office will be issuing a Request for Qualifications (RFQ) to establish an AI Consultant Pool—a curated group of qualified vendors specializing in AI project planning, development, and implementation across the County. This initiative aims to streamline procurement by centralizing the selection process, ensuring departments can efficiently access expert consulting and implementation services as needed.

Aligned with the CAO's successful Grant Writer Pool initiative, this effort is designed to enhance the County's ability to secure top-tier consulting services while maintaining high standards of expertise and innovation. By leveraging the AI Consultant Pool, departments can accelerate project execution, optimize resource allocation, and implement AI solutions in accordance with industry best practices. Ultimately, this initiative fosters collaboration, improves operational efficiency, and drives technological advancement to support the County's strategic goals.

The RFQ will be released this Spring with a goal to have contracts in place no later than Summer 2025.

AI Pilot Projects

To maximize the impact of AI across County operations, the County Administrator's Office is inviting departments to submit ideas for AI pilot projects. Whether it's automating routine tasks, enhancing data-driven decision-making, improving public services, or tackling complex challenges, we seek innovative applications of AI that align with departmental needs. This initiative also provides an opportunity to modernize legacy processes that may be outdated, inefficient, or resource intensive. AI has the potential to streamline workflows, optimize service delivery, and transform long-standing operational bottlenecks into high-performance systems. Selected pilot projects will benefit from expert consulting and implementation support through the AI Consultant Pool, ensuring access to cutting-edge solutions tailored to each department's

goals. Departments are encouraged to propose forward-thinking initiatives that leverage AI to enhance efficiency, improve service delivery, and create measurable benefits for the County and its residents. Please reach out to Chief Assistant County Administrator Timothy Ewell directly at Timothy.Ewell@cao.cccounty.us if your department is interested in participating in the pilot program. Review and selection of AI Pilot Projects is expected to start during Q2 FY25-26.

If your department has already initiated the use of AI in your operations or service delivery, DoIT is offering to review your technology usage to ensure it aligns with best practices, security protocols, and opportunities for optimization and continued success.

Thank you for your commitment to responsible AI adoption in serving Contra Costa County.

*Cc: County Administrator's Office
Department Administrative and Fiscal Staff*

Attachment

May 18, 2026

To: CSAC Government Finance and Administration Policy Committee

From: Emma Jungwirth, Senior Legislative Advocate
Eric Lawyer, Senior Legislative Advocate
Julissa Ceja Cardenas, Legislative Analyst

Re: 2026 Legislative Update

Below is a summary of the bills that the Government Finance and Administration (GFA) team has taken positions on so far in the 2026 legislative session.

For a complete list of legislation that the GFA team is tracking, please visit the [CSAC website](#).

Elections

SB 970 (Cervantes) – SUPPORT

Military or overseas voters. Requires the Secretary of State to develop regulations to facilitate the secure electronic return of ballots from military or overseas voters, improving reliability and timeliness of ballot return for these voters. [Read CSAC's support letter here.](#)

Government Administration

AB 2341 (Fong) – SPONSOR

Local government: emergency response services: use of languages other than English. Clarifies AB 1638 (Chapter 587, Statutes of 2023) which requires counties to provide translations for information related to an emergency in languages other than English. One reading of the law could require that every single language included in the American Community Survey (ACS) is required to be translated, causing local agencies to translate information into dozens of languages during an emergency. This measure prevents this interpretation, ensuring that emergency translations are delivered into languages spoken by at least five percent of speakers with translation needs – defined as those that speak English less than “very well.” [Read CSAC's coalition support letter here.](#)

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SB 1159 (Cabaldon) – SUPPORT

Artificial intelligence: transparency and governance. Clarifies that artificial intelligence systems, autonomous agents, robots, or other nonhuman entities are not included in the definition of “person,” “interested person,” “participant,” or “member of the public” as used in the California Public Records Act, Bagley-Keene Open Meeting Act, the Ralph M. Brown Act, the Political Reform Act of 1974, the Administrative Procedure Act, and CEQA. I. This measure establishes important safeguards to protect the ability of the public to comment on matters before local agencies. [Read CSAC’s coalition support letter here.](#)

Government Finance

SB 922 (Laird) – SPONSOR

Vehicles: local agency charges: use of streets or highways. Reaffirms that local agencies can keep recovering street maintenance and repair costs in fees associated with providing essential public services, including garbage, recycling, and green waste collection. [Read CSAC’s coalition support letter here.](#)

SB 1005 (Caballero) – SPONSOR

Local agency: payment: rounding amount. Authorizes a local agency, by resolution, to round any payment made wholly or partially in cash to the local agency to the nearest \$0.05, as well as any refund or other amount issued by the agency. [Read CSAC’s coalition support letter here.](#)

Labor Relations

AB 1564 (Ahrens) – OPPOSE

Employer-employee relations: confidential communications. Prohibits a public employer from questioning a public employee, a representative of a recognized employee organization, or an exclusive representative about communications made in confidence between an employee and their representative about matters within the scope of representation. This measure also prohibits a public employer from compelling a public employee to disclose those confidential communications to a third party. [Read CSAC’s coalition opposition letter here.](#)

AB 1961 (Ahrens) – SUPPORT

Civil actions: protective orders: workplace violence. Authorizes employers to seek temporary restraining orders on behalf of all or some employees at a workplace or location for general threats of violence directed at that workplace or location. The bill closes a gap in current law, which requires that threats are made against an individual employee(s) . [Read CSAC’s coalition support letter here.](#)

Retirement

AB 1383 (McKinnor) – OPPOSE

Public employees' retirement benefits: safety members. Requires public retirement systems to increase the pensionable compensation cap; reduce the prospective retirement age for public safety employees from 57 to 55; and allow bargaining over benefit tiers ranging from two percent at 55 to three percent at 55. This measure would impose increased state and local pension obligations, increase liability, and undo critical pension reform. [Read CSAC's coalition opposition letter here.](#)

AB 1439 (Garcia) – OPPOSE

Public retirement systems: development projects: labor standards. Requires the boards of the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS) to contract with the University of California Labor Centers to conduct an independent study to determine the impacts of subjecting investments to specified labor standards. [Read CSAC's coalition opposition letter here.](#)

Mandates

AB 2640 (Hadwick) – SUPPORT

Commission on State Mandates: state mandates. Authorizes the State Controller to allow a local agency to offset any reduced reimbursement from other unpaid reimbursement claims occurring on or after January 1, 2027, or request an adjustment to the payment of claims for underpayments or overpayments that occurred in previous years. This change ensures local governments can retain critical funding and obtain needed financial relief. [Read CSAC's coalition support letter here.](#)

Privacy

AB 1337 (Ward) – OPPOSE

Information Practices Act of 1977. Amends the Information Practices Act of 1977 (IPA) and imposes it on local agencies. This measure makes several changes to the IPA itself that raise new questions for how state and local agencies can continue to operate a variety of programs that rely on the use, sharing, and reporting of public data. This costly, unnecessary change could jeopardize essential service delivery to communities and students. [Read CSAC's coalition opposition letter here.](#)

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Public Records Act

AB 1821 (Pacheco) – SUPPORT

California Public Records Act: agency response time. Provides a practical clarification to the California Public Records Act response timelines, shifting from “calendar days” to “business days” for initial determinations and extensions. This measure is a common-sense update that reflects the operational realities of local agencies. [Read CSAC’s coalition support letter here.](#)

Revenue and Taxation

AB 2705 (Dixon) – SUPPORT

Property taxation: tax-defaulted property sales: excess proceeds claims. Establishes a uniform statewide framework for agreements to locate, recover, deliver, or assist in filing excess proceeds claims on tax-defaulted properties, including disclosures that the consumer may file their claim directly with the county at no cost and information on how to do so. The measure also requires written agreements between the parties, prohibits the collection of fees prior to the approval and payment of a claim, and limit fees to no more than 10 percent of the excess proceeds awarded for those who choose to file their claim with the assistance of another party. This measure strengthens consumer protections while allowing legitimate service providers to operate. [Read CSAC’s coalition support letter here.](#)

SB 1329 (McNerney) – OPPOSE

Real property tax: valuation: active solar energy system. Establishes uniform rules regarding the method of valuation of an active solar energy system, which is the “replacement cost new” less depreciation and all other forms of obsolescence. The measure provides that the valuation of such a system is limited to only the tangible property comprising the active solar energy system, and does not include intangible assets and rights of the system, as described. [Read CSAC’s coalition opposition letter here.](#)

SB 1349 (Gonzalez) – SUPPORT

Taxation: tax expenditures: Legislative Analyst’s Office: assessment, report, and recommendation. Requires the Legislative Analyst’s Office (LAO) to prepare and publish a report on the state’s major tax expenditures, make recommendations to the legislature on each expenditure identified, and identify possible savings from limiting major tax expenditures. This measure requires the LAO to publish individual reports on their website by October 15, 2027, and annually thereafter. This measure also requires the Senate and Assembly Committees on Revenue and Taxation to hold a joint public hearing on the report by August 15 of the second year of the legislative session. [Read CSAC’s coalition support letter here.](#)

Workers' Compensation

Subsequent Injuries Benefit Trust Fund (SIBTF) Reform

The Subsequent Injuries Benefit Trust Fund (SIBTF) was established in the 1940's to encourage the hiring of veterans and individuals with pre-existing disabilities. The program was small and funded through modest employer assessments. However, in recent years, the number of claims and program costs have grown dramatically, driven by expanded claims based on common, non-work-related pre-existing conditions leading to massive increases in employer costs and a significant backlog of cases.

The legislature is currently considering competing reform efforts:

AB 1576 (Ortega) – OPPOSE

Workers' compensation: Subsequent injuries payments.

Establishes stricter criteria for pre-existing conditions including proper documentation but fails to make changes to the initial eligibility threshold for serious injuries, disability rating structure, stacking of disabilities, or prioritization of severe cases to address the significant case backlog. CSAC opposes this measure because it does not go far enough to reform the program. [Read CSAC's coalition opposition letter here.](#)

SIBTF Budget Trailer Bill – SUPPORT

Drafted by the Department of Industrial Relations, this proposal revises SIBTF eligibility to protect legitimate claims by requiring prior documentation of pre-existing conditions, restores longstanding methods for combining multiple disabilities to prevent inflated benefit awards, and applies well-established medical legal reporting laws to SIBTF claims. These reforms align the program with other workers' compensation reforms to prevent abuse and protect legitimate claims. [Read CSAC's coalition support letter here.](#)

AB 1048 (Chen) – OPPOSE

Workers' compensation. Requires the explanation of review of any adjustment, change, or denial based on a contract to include information identifying the underlying contract, include contact information for the person or entity that can provide a copy of the contract to the rendering medical provider. While this measure attempts to address issues that arise in disputes related to medical bill adjustments, it creates loophole that allows providers to bypass mutually agreed upon terms of a contract, establishes inappropriate penalties, and allows unlimited copies of contracts. [Read CSAC's coalition opposition letter here.](#)

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Workplace Technology

AB 2545 (Schiavo) – SUPPORT IF AMENDED

Report: labor force impact: artificial intelligence. Establishes the California Artificial Intelligence Worker Impact Data Assessment Project Advisory Panel under the Employment Development Department (EDD). The advisory panel would consist of 13 members from a range of workforce sectors, except a local agency employer representative. Given CSAC's concerns regarding other legislation that is designed to limit, regulate, or prohibit new technologies in the workplace, the voice of local public agency employers should be included. [Read CSAC's support if amended position letter here.](#)

Several bills restrict workplace technology in ways that create significant new costs and liabilities for public agencies. These costs include extensive compliance measures and administrative burdens, as well as direct liability for legal fees, defense costs, and direct fines. These bills can also limit the effectiveness of public agencies to provide essential services, including public benefit enrollment, wildfire detection, or safety monitoring for critical infrastructure.

AB 1883 (Bryan) – OPPOSE

Workplace surveillance tools. Restricts the use of tools that can infer information about protected activities or use facial recognition. [Read CSAC's coalition opposition letter here.](#)

AB 2656 (Petrie-Norris) – OPPOSE.

Public employees: notice: artificial intelligence performing service within scope of work. Requires public agencies to notify employees within 45 days of developing, implementing, utilizing, or purchasing AI to perform a service within an employee's scope of work. [Read CSAC's coalition opposition letter here.](#)

SB 947 (McNerney) – OPPOSE

Employment: automated decision systems. Regulates employers' use of ADS by limiting the purposes when it may be used, requiring post-use notices to affected workers when ADS are used in discipline, termination or deactivation decisions, and establishing enforcement and penalties for violations. [Read CSAC's coalition opposition letter here.](#)

SB 951 (Reyes) – OPPOSE UNLESS AMENDED

Employment: technological displacement: notice. Requires public agencies to notify workers at least 90 days before a layoff related to adoption of AI or ADS. Failure to notify would cause an employer to be liable for lost wages, health costs, and a direct fine of \$500 per day. [Read CSAC's coalition oppose unless amended position letter here.](#)

CSAC has fundamental concerns with bills that aim to restrict how public agencies can use tools that improve service delivery or provide security for the public we serve or the public workforce. It is critical that legislation in this area does not impose a "one size fits all"

approach as public agencies have different responsibilities and missions than the private entities. We do not believe it is appropriate to regulate tools used for security and basic operations in response to private sector labor concerns. State law has protected the right of public employees to bargain, and most public employees have a property interest in their position that is protected by due process.

DEAD BILLS

Government Finance

AB 2214 (Jackson) – OPPOSE

Government finance: deposits. Would have authorized the use of local agency funds on deposit with the State Treasurer’s Pooled Money Investment Accounts to establish a lending program for verified small businesses in underserved census tracts and first-time or first-generation home buyers. This measure proposes lending activities that are not consistent with liquidity requirements of the local agencies investing in the fund. [Read CSAC’s coalition opposition letter here.](#)

Revenue and Taxation

AB 2192 (Gonzalez) – OPPOSE

Sales and use taxes: farm equipment and machinery. Would have expanded existing state sales and use tax exemption for farm equipment and machinery to apply to local Bradley-Burns sales taxes and certain local transactions and use taxes until January 1, 2032. **This measure failed in the Assembly Committee on Revenue and Taxation.** [Read CSAC’s coalition opposition letter here.](#)

Labor and Workforce Development

AB 2064 (Sharp-Collins) – OPPOSE

Would have amended the Unruh Civil Rights Act and the Fair Employment and Housing Act to include criminal history as a protected characteristic. [Read CSAC’s coalition opposition letter here.](#)

AB 2530 (Caloza) – OPPOSE

Employment: Cal/WARN Act: plant closings and mass layoffs. Would have expanded the California Worker Adjustment and Retraining (Cal/WARN) Act to apply to public agencies and not just private employers. This measure would subject public agencies to a duplicative notification and compliance process that was designed for the private sector. [Read CSAC’s coalition opposition letter here.](#)

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Worker's Compensation

AB 2098 (Kalra) – OPPOSE UNLESS AMENDED

Workers' compensation: medical treatment. Requires an employee to make reasonable efforts to schedule workers' compensation medical treatment outside of work hours and to notify their employer if treatment must occur during work hours. Employers must permit such treatment during work hours unless a business necessity requires rescheduling. Any leave taken for this purpose must run concurrently with leave under the federal Family and Medical Leave Act of 1993 and the California Family Rights Act, if applicable. This measure also makes it a misdemeanor for an employer to deny or retaliate against the employee for taking such leave without a business necessity that requires the employee to reschedule treatment. [Read CSAC's coalition oppose unless amended position letter here.](#)

Workplace Technology

AB 1898 (Schultz) – OPPOSE

Workplace artificial intelligence tools. Would have required 90-day advance notice of a wide variety of tools that use artificial intelligence (AI) or automated decision-making systems (ADS), including security systems, and requires notice to include wide array of information, including locations, make and model, and job activities to be monitored. [Read CSAC's coalition opposition letter here.](#)

AB 2027 (Ward) – OPPOSE

Worker data: prohibitions: artificial intelligence. Would have restricted agencies from training AI systems with worker data, effectively limiting or banning the use of AI tools. [Read CSAC's coalition opposition letter here.](#)

Pensions

SB 1319 (Durazo) – OPPOSE

California Public Records Act: public investment funds. Would have required the California pension funds to disclose specified information about private equity investments, resulting in limited and likely lower quality investment options for CalPERS, CalSTRS, every '37 act system, and any other public pension system in California. CalPERS estimates this measure would compel them to reduce their discount rate by 50 basis points, causing an immediate and annual multi-billion-dollar annual increase in contribution rates for public agencies they administer. [Read CSAC's coalition opposition letter here.](#)

May 18, 2026

To: CSAC Government Finance and Administration Policy Committee

From: Emma Jungwirth, Senior Legislative Advocate
Eric Lawyer, Senior Legislative Advocate
Julissa Ceja Cardenas, Legislative Advocate

Re: Artificial Intelligence and the Legislative Landscape

Summary: This presentation will explore artificial intelligence (AI) policy, including emerging impacts on civic engagement, opportunities to improve delivery of public services, and concerns over adoption in the workplace. The discussion will highlight provide insight into how state legislators are considering these intersecting issues as they create and evaluate new legislation.

Guest Speaker:

- Senator Christopher Cabaldon, Chair, Senate Committee on Privacy, Digital Technologies and Consumer Protections

Background:

As AI and automated decision-making systems (ADS) become more widely used across government and our communities, many sectors are integrating these technologies into their operations, training systems, and day-to-day activities. While these tools raise important questions about accountability and the need for safeguards, they also provide significant benefits for public agencies that must be carefully considered throughout the legislative process.

Several bills introduced this year seek to regulate emerging technologies like AI and ADS. While many have been focused on addressing labor concerns, others have been centered on regulating the AI industry directly or through their specific impacts. Senator Cabaldon has authored SB 1159, which would clarify that AI systems are not included in the definition of a participant or member of the public for the Brown Act, the Public Records Act, or other

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government transparency laws. The bill is responding to use of AI systems to generate mass letter submissions on local regulations¹.

Advocates and legislative leaders have been engaged in a multiyear conversation to ensure that legislation balances interests of regulation of AI without diminishing the ability of public agencies to deliver essential services or stifle new technology.

The newly-created [Senate Committee on Privacy, Digital Technologies, and Consumer Protection](#) chaired by Senator Cabaldon provides a place for senators to thoughtfully evaluate the benefits and potential risks associated with artificial intelligence and other digital technology.

Attachments:

- Attachment 1: CSAC Platform Language on Artificial Intelligence
- Attachment 2: SB 1159 (Cabaldon) Artificial intelligence: transparency and governance - Support Letter

¹ [Southern California air board rejected pollution rules after flood of comments from AI-powered platform](#) (The Los Angeles Times, February 17, 2026)

CSAC Policy Platform

CHAPTER 5: GOVERNMENT OPERATIONS

SECTION 6: ARTIFICIAL INTELLIGENCE

Counties are committed to using Artificial Intelligence (AI) technology responsibly, transparently, and ethically to improve processes, enhance services to residents, and support employees to do their best work. To preserve the county priority of local control, the state should support the ability of counties to independently determine the scope and extent of AI integration within county government services. The state should not infringe on county operational policies and practices, inclusive of employment practices.

Counties expect the state to commit to transparent decision-making processes regarding AI state legislation and regulations; formally soliciting county input and involvement. If the state requires the use of a particular AI technology or platform over another, then the state must be responsible for evaluating, maintaining, and keeping it current, using state resources. If the state makes a regulation, it is the state's responsibility to ensure the vendor is upholding standards and compliance. Counties support the state auditing or monitoring the AI industry and technologies for compliance with state law.

Counties urge the state to issue guidance on best practices for AI technology that safeguards data protection and fosters innovation, without placing additional requirements on counties to oversee compliance. Wherever feasible, this guidance should be aligned with relevant federal regulations. This guidance should not supersede local control in how counties decide to use AI technology. The State's guidance should include, but not be limited to the need for algorithmic systems to have a high accuracy rate and include details for a competitive procurement process. That guidance should include questions to ask vendors to demonstrate how they have attempted to remove bias from their products.

Election security is paramount, and as those charged with administering elections, counties are supportive of efforts to protect the integrity of elections, thereby preventing and/or identifying deepfakes and misinformation. For all other policy issues or programs that may be affected by artificial intelligence, CSAC supports

evaluating the impact of artificial intelligence and the appropriate response through the lens of the values described in this section. Counties encourage AI-related legislation to follow existing state law on copyright, cybersecurity, privacy, and public record laws. Legislation should not be introduced that exempts AI from existing copyright, cybersecurity, privacy, and public record laws. Any proposed state law related to AI technology or platforms must comply with existing data requirements and applicable laws, including but not limited to the California Consumer Privacy Act, Criminal Justice Information System, Health Insurance Portability and Accountability Act, California Confidentiality of Medical Information Act, California Public Records Act. Counties recognize public trust in AI technologies is still developing and control over the use of disclosure statements should be maintained at the county level.



April 2, 2026

The Honorable Christopher Cabaldon
Chair, Senate Privacy, Digital Technologies, and Consumer Protection Committee
1020 N Street, Room 568
Sacramento, CA 95814

**RE: Senate Bill 1159 (Cabaldon) – SUPPORT
As Amended March 25, 2026**

Dear Chair Cabaldon:

On behalf of the Rural County Representatives of California (RCRC), California State Association of Counties (CSAC), Urban Counties of California (UCC), California Municipal Clerks Association (CMCA), and the League of California Cities (Cal Cities) we are pleased to support Senate Bill 1159, which would put important safeguards in place to protect the ability of the public to comment on matters before local agencies in an age of quickly evolving Artificial Intelligence (AI) technology.

California's open meeting and open governance laws are intended to not only allow the public to observe deliberations about issues that will affect their communities, but to participate as well. Local agencies accept public comment on matters both on the agenda and off. Technology has been a powerful tool to make public participation more accessible than ever, as agendas and the time and location of public meetings are posted online. Those unable to comment or observe in person are able to follow along online or submit written comments via email or web portal.

However, emerging AI and Large Language Model (LLM) tools have now made it easier than ever for bad actors to misrepresent public opinion in governance decisions. According to reporting from multiple outlets, in June 2025 a political consultant used AI tools to generate twenty thousand emails to the South Coast Air Quality Management District regarding a regulatory proposal before the board.¹ The AI generated emails purported to be from members of the public in South Coast AQMD's jurisdiction, but during an audit by air district staffers many said that they were not aware of signing onto any such messages. In an interview with a trade publication, the political consultant behind the advocacy effort bragged about how the volume "left the South Coast AQMD staff reeling."

¹ [An AI-powered campaign may have killed a key vote on air quality - Los Angeles Times](#)
[When the cloud comes for public comments - POLITICO](#)
[Residents deny sending emails pushing Bay Area air policy change - SF Chronicle](#)

The Honorable Christopher Cabaldon
Senate Bill 1159
April 2, 2026
Page 2

Automated engagement tools have the capacity to overwhelm government agencies, crowd out the voices of actual members of the public, and undermine the intent of California's transparent governance laws. Clarifying how these laws apply in the context of emerging technologies, particularly distinguishing between authentic public input and activity generated at scale by artificial intelligence systems, represents an important step toward protecting meaningful public participation, open governance, and critical staff resources for local agencies. With thoughtful refinement, SB 1159 will help address these challenges in a way that is both effective and implementable as technology continues to evolve quickly.

We appreciate the author's attention to this emerging challenge and the importance of safeguarding meaningful public participation in local governance. As this proposal moves forward, we look forward to working collaboratively with the author and stakeholders to develop amendments that ensure the bill's intent is both clear and effective, while remaining workable and practical for local agencies to implement.

For these reasons, RCRC, UCC, CSAC, CMCA, and Cal Cities are pleased to support SB 1159. Please do not hesitate to contact us if you have any questions.

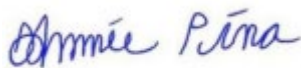
Sincerely,



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