

The policy committee deadline for bills in their second house was July 12, so any bills that were not heard in their respective policy committee are considered two-year bills that can either be moved again next year or held for the rest of session.

The Legislature has adjourned for summer recess. The legislators will return to Sacramento on August 12 to finish out the first year of the two-year session by September 13, when interim recess begins.

AB 181 (Rodriguez) Would require the Board of Administration of the Public Employees' Retirement System and the Teachers' Retirement Board to each provide a report to the Legislature, commencing March 1, 2021, and annually thereafter, on the status of achieving appropriate objectives and initiatives regarding participation of emerging managers responsible for asset management within each system's portfolio of investments. With respect to the duties of the PERS board, the bill also would require the board's report to the Legislature to address the status of achieving appropriate objectives and initiatives regarding participation of transition managers responsible for asset management within its portfolio of investments. **The bill remained in the Sen Rules Comm. So, it is a two-year bill. The likelihood of it's moving forward is slim because of a new Senate policy to not refer bills that only mandate reporting, as this bill does. The use of emerging managers will still exist as a program, but the reporting requirements in this bill will likely not move further.**

AB 346 (Cooper) Would add police officers employed by a school district, county office of education, or community college district to the list of public employees entitled to a leave of absence without loss of salary, in lieu of temporary disability payments, while disabled by injury or illness arising out of and in the course of employment. **The bill passed out of the Sen L, PE,& R Comm. on June 12 (5-0) and sent to the Sen Appr. Comm., where it was placed on suspense.**

AB 462 (Rodriguez) would have made non-substantive changes to the provisions defining a county peace officer and prescribing the disability allowance for a state miscellaneous member upon industrial disability retirement. **This bill was amended with the same language as AB 181 (above) to serve solely as a placeholder. It will likely be amended into another unrelated bill later this session. The bill is still in the Sen Rules Comm.**

AB 644 (Asm PE&R Committee) would revise the definition of compensation earnable for the purposes of STRS to be the sum of the average annualized pay rate paid in a school year divided by the service credited for that school year and the remuneration paid in addition to salary or wages. **The bill passed out of the Sen on July 1 (39-0) and sent to the Governor, who signed it on July 12 (Chap. 96, Stats. of 2019).**

AB 664 (Cooper) would require, for purposes of determining permanent incapacity of 1937 Act members employed as peace officers, that those members be evaluated by the retirement system to determine if they can perform all of the usual and customary duties of a peace officer. The bill would apply to members who file applications for disability on or after the effective date of the act, except for cases on appeal at that time. This bill is a re-run of Cooper's AB 283 in 2017, and appears to be intended to overturn an Appellate Decision that held a member must be incapacitated from doing the duties of the job the member is currently filling. It would be a sweetheart deal for high-ranking peace officers who aren't expected or anticipated to perform the duties of an officer in the field. The 2017 bill made it to the Senate but the scheduled hearing was cancelled at the author's request and never heard in committee. **This year's bill was in the Sen L, PE,& R Comm. but the Chair of the Committee indicated that he was not inclined to support the bill, so the author pulled the bill from committee before it was heard, so it is a two-year bill.**

AB 672 (Cervantes) would prohibit a person who has retired for disability under PERL from being employed by any PERL employer without reinstatement from retirement if the position is the same position from which the person retired or if the position includes duties or activities that the person was previously restricted from performing at the time of retirement. If a person retired for disability is employed

without reinstatement, the bill would also require the employer to provide to the PERS Board the nature of the employment and the duties and activities the person will perform. **Presumably, but not specifically stated, PERS would have the authority to require reinstatement and void the previous disability retirement. The bill passed out of the Sen on July 1 (39-0) and sent to the Governor, who signed it on July 12 (Chap. 98, Stats. of 2019).**

AB 1212 (Levine) would require a state agency that is responsible for infrastructure projects to produce a list of priority infrastructure projects and provide it to the boards of PERS, STRS, and CERL systems for funding consideration. The bill would require a state agency to also provide further project information to a board upon request. This bill is a minor amendment to PEPRRA sec. 7514.2, so is probably a placeholder for possible amendment to PEPRRA. **The bill passed out of the Sen L, PE, & R Comm. on June 26 and sent to the Sen Appr Comm. where the author canceled the hearing on July 2.**

AB 1320 (Nazarian) would prohibit PERS and STRS from making additional or new investments in Turkey if the investment is issued, or owned, controlled, or managed by the Turkish Government. It would also require divestment of these types of investments within 6 months if a federal law is passed imposing sanctions on Turkey. None of this is required unless the Boards determine in good faith that such actions are consistent with their constitutional fiduciary responsibility. This is at least the fourth year that Assemblyman Nazarian has authored a similar bill. Nazarian's AB 1597 was actually passed by both houses last year but was vetoed by the Governor. **The bill passed out of the Sen L, PE, & R (5-0) on June 26 and the Jud Comm.(8-0) on July 3, and sent to the Sen Appr. Comm.**

AB 1452 (O'Donnell) This bill would prohibit aggregating creditable service in more than one position for the purpose of determining mandatory membership on a part-time basis for 50% or more of the time the employer requires for a full-time position. **The bill passed out of the Sen L, PE, & R Comm. (5-0) on June 12 and sent to the Sen Appr. Comm. where it was placed on suspense.**

SB 184 (Moorlach) would authorize a judge who has attained 60 years of age with a minimum of 5 years of service, or who has accrued 20 or more years of service, to retire and to elect to receive a monthly pension that would be deferred until the judge reaches retirement age, but to continue health care benefits upon separation from office if he or she assumes specified payments. This is a re-run of Moorlach's SB 656 in 2018 which passed both houses but was vetoed by the Governor. **The bill passed out of the Asm PE&R Comm. (7-0) on June 26 and sent to the Asm Appr Comm.**

SB 266 (Leyva) would establish new procedures under PERL for cases in which PERS determines that the benefits of a member or annuitant are, or would be, based on compensation that conflicts with PEPRRA and other specified laws and thus impermissible under PERL. The bill would also apply these procedures retroactively to determinations made on or after January 1, 2017, if an appeal has been filed and the employee member, survivor, or beneficiary has not exhausted their administrative or legal remedies. At the threshold, after determining that compensation for an employee member reported by the state, school employer, or a contracting agency is disallowed, the bill would require the applicable employer to discontinue the reporting of the disallowed compensation. The bill would require that contributions made on the disallowed compensation for active members be credited against future contributions on behalf of the state, school employer, or contracting agency that reported the disallowed compensation and would require that the state school employer, or contracting agency to return to the member any contributions paid by the member or on the member's behalf. **On June 17 it was amended by the author, mostly in a minor way, but with a requirement that certain information remain confidential and making the appropriate findings. The bill passed out of the Asm PE&R Comm. (7-0) on June 26 and sent to the Asm Appr Comm.**

SB 430 (Wieckowski) was amended on May 17 to grant a judge who was elected to office in 2012, but did not take office until on or after January 1, 2013, the option of making a one-time, irrevocable election to have pre-January 1, 2013, membership status in the Judges' Retirement System II for service accrued after on and after July 1, 2020. The bill would require the election to

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be made between March 1, 2020, and March 30, 2020, inclusive. It was in the Asm PE&R Comm. where the author cancelled a scheduled hearing on June 26.

SB 783 (Sen. L, PE & R Committee) would correct several erroneous and obsolete cross-references within CERL. The bill is still at the Asm PE&R Committee. The SACRS Legislative Committee (LegComm) is still considering a number of potential non-controversial amendments to CERL, which would be added to the bill. The list was discussed in detail at the LegComm's July meeting with the intent to finalize it just prior to the SACRS Board's August meeting.