

**Legislative Report**  
**October 2015**

**Following is a summary of the actions the Governor has taken in connection with the few bills that were still pending in my September report. Several actions were taken at the last possible date available to the Governor before the bills would have become law without his signature.**

AB 10 (Gatto) would increase the thresholds at which a public official has a disqualifying financial interest in sources of income from \$500 to \$1,000, in investments in business entities from \$2,000 to \$5,000, and in interests in real property from \$2,000 to \$10,000, and would make conforming adjustments to the thresholds at which income, investments, and interests in real property must be disclosed on a public official's statement of economic interests. It would also require certain public officials to disclose information on their statement of economic interests relating to governmental decisions for which they had a disqualifying financial interest. It would also require that a single payment of \$5000 or more, or aggregate payments of \$5000 or more from the same source within a calendar year, for legislative, governmental, or charitable purposes made at the behest of a candidate for office, or a public official, be reported within 30 days of receipt, if the behested payment or payments would financially benefit the former office holder or his or her immediate family, the former officeholder's employer or the employer of a member of his or her immediate family, or an entity with whom the former officeholder or a member of his or her immediate family is negotiating employment. **The bill was vetoed by the Governor on October 10.**

**AB 883** (Low) would prohibit employers from asking directly or indirectly, on applications for job openings, if applicants are current or former public employees, nor may they disqualify an applicant for employment because he or she is a current or former public employee. There was concern that public employers would use this tactic to avoid employing persons who would have to be placed in a legacy retirement tier, as opposed to being a PEPRAs employee. This bill would only allow the question to only be asked after it is determined that the applicant meets the qualifications of the position. **The bill was vetoed by the Governor on October 10. His message was "This bill seeks to vest in the Division of Labor Standards Enforcement an entirely new responsibility: to enforce a prohibition on job advertisements and communications that relate to a person's prior status as a public employee.**

**I think I understand what the sponsors intend, but the provisions in this bill could limit legitimate efforts of public jurisdictions to manage their workforce".**

AB 963 (Bonilla) would revise the definition of creditable service under the Teacher's Retirement Law for service rendered prior to December 31, 2015. **The bill was signed by the Governor on October 11 (Chap.782)**

AB 1031 (Thurmond) would require any public agency that has elected to become subject to PEMCHA to make its required employer contributions, including reimbursement for Medicare Part B premiums, if agreed upon in collective bargaining. **The Governor vetoed the bill on October 10. The bill was vetoed by the Governor on October 10. His message was "This bill creates ambiguity and could be interpreted to expand retiree health benefits by requiring local governments**

contracting with the California Public Employees' Retirement System to reimburse retirees' Medicare Part B premiums.

These benefits should continue to be collectively bargained at the local level, not imposed by the state. This is particularly true, given the massive unfunded liability of state and local retiree health plans". The message is odd, given that the bill only provided for reimbursement of a retiree's Part B premiums if agreed to by collective bargaining. I suppose he could have thought the inclusion of "or as required by statute" and "statutorily imposed" in the section requiring collective bargaining or a memorandum of understanding could open the door for later action by the Legislature.

SB 21 (Hill) would require a nonprofit organization that pays for certain types of travel for an elected state officer or local elected officeholder that are reasonably related to a legislative or governmental purpose, or to an issue of state, national, or international public policy, to disclose the names of donors responsible for funding the payments. The Political Reform Act currently exempts such gift payments for the actual costs of specified travel from the annual limit on the value of gifts from a single source. The bill would also require a person who receives a gift of a travel payment from any source to report the travel destination on his or her statement of economic interests. **The bill and was signed by the Governor on October 11 (Chap. 757).**

SB 185 (De Leon) would require the boards of PERS and STRS to divest the public employee retirement funds of any investments and prohibit additional or new investments or the renewal of existing investments in a thermal coal company. This bill would require these actions to be undertaken consistent with the board's fiduciary responsibilities specified in the California Constitution. **The bill was signed by the Governor on October 8 (Chap. 605).**

SB 272 (Hertzberg) requires each local agency, except local educational agencies, in implementing the California Public Records Act, to make a catalog of enterprise systems used by the local agency available to the public, along with related information. **The bill was signed by the Governor on October 11 (Chap.795).**

SB 292 (Pan) provides that the requirement for employees subject to PEPR to pay 50% of the actuarial normal cost of their pension benefits does not apply in cities and counties in which voter-approved tax levies were enacted prior to 1978 for the purpose of paying pension costs. **The bill was vetoed by the Governor on October 10. His message was "I believe the cost-sharing requirements in the Public Employees' Pension Reform Act of 2013 are unrelated to whether a city or county has an existing parcel tax for pensions. The employee share-of-cost is a crucial standard that must be retained. I am unwilling to chip away at this reform".**

On another subject, at its conference in November, SACRS will be considering whether to support or sponsor several proposed bills in the next Legislative session. These are:

1. **Optional district status for 1937 Act Retirement Systems.** The systems would be able to choose from the OCERS model, the SBCERA model, the VCERA model, the CCCERA model, or to take no action. Depending on the model chosen, certain or all of the employees working for the system would be system employees and eligible to participate in the retirement plan. This proposal originated in the SACRS Legislative Committee.
2. **Optional Employee Sworn Statements.** This would enable members to submit sworn statements electronically, rather than by hard copy as presently required by law. This proposal was made by SDCERA.
3. **Alternate Retiree Voting.** This would allow an alternate retiree member of the Board of Retirement to vote in the event the safety member and a general member or both general members were absent at a meeting. As some of you may recall, CRCEA considered sponsoring a similar bill in the 2008 Legislative session but dropped the idea after a meeting I had with Amy, Legislative staff and the 3 prominent employee union reps. While PORAC was non-committal one way or another, the Firefighters and SEIU said they would not support the proposal. The current proposal was made by Merced CERA.
4. **Increasing the Per Meeting Payment to Eligible Retirement Board Members.** The amount has not yet been decided upon, but the first suggestion was an increase from \$100 to \$200. The current \$100 payment has been in place for over 40 years. This proposal originated in the SACRS Legislative Committee.

Stay tuned!