

**Amended bills or bills on which there has been activity, about which there is new information or a hearing is scheduled are highlighted in bold text. For those bills that have died, if you are interested in what they might have done, please refer to the last report.**

**Important Legislative Deadlines for Second House:**

**June 29 was the last day for policy committees to hear and report fiscal bills to fiscal committees.**

**July 6 was the last day for policy committees to hear and report to the floor non-fiscal bills.**

**The Legislature is now in Summer Recess, returning on August 6.**

Aug. 17 - Last day for fiscal committees to hear and report to the Floor.

Aug. 31 – Last day for each house to pass bills

Sept 30 – Last day for Governor to sign or veto bills.

**AB 1912 (Rodriguez).** This bill would eliminate many provisions within the Joint Exercise of Powers Act (Act) regarding the debts, liabilities, and obligations of the joint powers agency (JPA). As amended on May 9, the bill would additionally specify that for a JPA that participates in a public retirement system, all parties to the joint powers agreement (agreement) would be required to mutually agree as to the apportionment of the JPA's retirement obligations among themselves, provided that the agreement equals the total retirement liability of the JPA. The bill would require the board of the retirement system (board), in cases in which the member agencies are unable to mutually agree to apportionment, to apportion the retirement liability of the JPA to each member agency. The board's decision may be challenged through arbitration, and the arbitrator's decision shall be final. The bill would also provide that if a judgment is rendered against an agency or a party to the agreement for a breach of its obligations to the retirement system, the time within which a claim for injury may be presented or an action commenced against the other party that is subject to the liability determined by the judgment begins to run when the judgment is rendered. The bill would specify that those provisions apply retroactively to all parties, both current and former, to the agreement. This bill would apply to all JPAs in existence prior to January 1, 2019, and to all new JPAs that contract with a public retirement system thereafter, but not to a JPA that dissolved prior to the bill's effective date.

The bill would also revise the provisions of PERL regarding termination of an agreement with CalPERS and an agency formed under the Act. This bill would extend that liability and lien to all of the parties of a terminating agency that was formed under the Act. **This bill was amended several times in the Committees to address many of the concerns of the LCC and CSAC. The bill passed out of the Senate PE & R Committee (3-1) on June 25 and Jud Committee (5-1) on June 26. It is now at the Senate Appr Committee**

**AB 2004 (Oberholte).** This bill is an urgency statute and would enact the Big Bear Fire Agencies Pension Consolidation Act of 2018, which, on and after the effective date of a resolution of the Board of Retirement of the San Bernardino County Employees' Retirement Association consenting to membership by employees of the Big Bear Fire Authority, would provide that all safety employees currently employed by the Big Bear Lake Fire Protection District as of that date would be deemed to be employees of the authority and that all duties and obligations of the fire protection district in the employment relationship would be assumed by the authority. The bill would specify that the authority is a "district" for purposes of the CERL. The bill would also provide that the authority would assume the rights, obligations, and status previously occupied by the City of Big Bear Lake as to the portion of the city's retirement plan that covers safety employees of the fire protection district, and to the replacement benefits program. Additionally, the bill would provide that termination of the city safety plan would not trigger withdrawal liability. **The bill passed out**

of the Senate (37-0) on June 18. It was signed by the Governor on July. (Chap. 72, Stats. of 2018)

**AB 2076 (Rodriguez).** This bill was introduced at the request of LACERA. It would authorize LACERA to correct a prior board decision determining the date of retirement for a member permanently incapacitated for disability that was made between January 1, 2013, and December 31, 2015, and was based upon an error of law existing at the time of the decision. The bill would also authorize a member seeking correction under these provisions to file an application with the board no later than one year from the date this law becomes operative. **The bill passed out of the Senate PE & R Committee (5-0) on June 25, and out of the Senate (37-0) on July 2. It was signed by the Governor on July 16 (Chap. 97, Stats. of 2018).**

**AB 2196 (Cooper).** This bill would, after January 1, 2020, permit the member, survivor, or beneficiary, where prior service credits are being purchased under an installment plan, to elect to discontinue the payments and receive a retirement allowance that is reduced by the actuarial equivalent of any balance remaining unpaid by the member. **The bill passed out of the Senate Appr Committee on June 25, out of the Senate (37-0) on July 2, and returned to the Assembly for concurrence in amendments, where it still resides.**

**AB 2310 (Aguiar-Curry).** This bill provides that collective bargaining agreements, as an alternative to specifying the exact percentage of member compensation to be paid toward the current service cost of the benefit by members, to specify the methodology for calculating that cost-sharing rate. It would specify that once a contracting agency elects to be subject to the cost-sharing provision, contract amendments are not required to effectuate cost sharing in subsequent collective bargaining agreements or memoranda of understanding ratified by the employee bargaining unit and the governing body of the agency. The bill would, however, require the contracting agency, if a collective bargaining agreement or memorandum of understanding sets forth a methodology for calculating the cost-sharing rate instead of an exact percentage, to provide the retirement system with a signed side letter ratified by the employee bargaining unit and the agency indicating the exact percentage at least 90 days prior to the effective date of the cost-sharing rate set forth in the signed side letter. **The bill passed out of the Senate Appr Committee on June 25 and sent to the Senate, where it still resides.**

**AB 2415 (Calderon).** This bill would add a chief operating officer and a chief health director. to the list of positions for which PERS is authorized to appoint and fix the compensation. **The bill passed out of the Senate PE & R Committee (4-1) on June 26, and sent to the Appr Committee, where a hearing is set for August 6.**

**AB 3245 (Rodriguez).** This bill is dead.

**SB 656 (Moorlach & Lara).** Existing law authorizes a judge who is a member of the Judges' Retirement System II system and who retires upon attaining both 65 years of age and 20 or more years of service, or upon attaining 70 years of age with a minimum of 5 years of service, to receive specified retirement benefits, including a monthly pension. Existing law requires a judge who leaves judicial office after accruing 5 or more years of service, but who has not reached the applicable age of retirement, to be paid a lump sum equal to monetary credits that accrued while he or she was in office. Existing law also authorizes a judge who separates from office after accruing 5 or more years of service but has not reached 65 years of age to continue health care benefits if he or she assumes certain payments.

This bill 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 bill passed out of the Senate PE & R Committee (6-0) on June 20, and sent to the Appr Committee, where it was amended in a minor way on July 2, and remains in the Committee.**

SB 964 (Allen). This bill and would, until January 1, 2035, require climate-related financial risk to be analyzed to the extent the boards of CalPERS and CalSTRS identify the risk as a material risk to their funds. The bill, by January 1, 2020, and every 3 years thereafter, would require each board to publicly report on the climate-related financial risk of its public market portfolio, including alignment of their funds with the COP 21 climate agreement and California climate policy goals and the exposure of the fund to long-term risks. The bill would provide that it does not require either board to take action unless the board determines in good faith that the action is consistent with its fiduciary responsibilities. The bill is at the Assembly Appr Committee, with no hearing set.

SB 1022 (Pan). PERL provides that data filed by a member or beneficiary with PERS is confidential, subject to certain exceptions, and is to be used only for carrying out PERL. This bill would specify that those confidentiality provisions also apply to the Public Employees Medical and Hospital Care Act, which PERS also administers.

PERL prescribes a process by which an agency contracting of PERS may terminate its contract, including requiring the adoption by the relevant governing body of a resolution giving notice of intention to terminate and adopting an ordinance or resolution terminating the contract not less than one year after giving notice.

This bill would require terminating agencies to notify past and present employees who are members, former members, or retired members of the PERS, within 7 days of the adoption of the resolution giving notice of intention to terminate and, for contracts that were approved by the electorate, to make notification of a pending vote to terminate at least 90 days before the date of vote. The bill would require that the ordinance or resolution terminating the contract be adopted not less than 90 days and not more than one year after the PERS's receipt of the resolution giving notice of intention to terminate. The bill would prohibit the termination effective date from being earlier than the date of adoption of the ordinance or resolution terminating the contract.

*The notice provisions in this bill are intended to shield PERS from the ire of employees and retirees of terminating agencies, and shift it to the terminating agency.*

The bill is at the Assembly Appr Committee), with no hearing set.

SB 1124 (Leyva). This bill would establish new procedures under PERL for cases in which a member's benefits are erroneously calculated by the state or a contracting agency. The bill, with respect to a memorandum of understanding (MOU) entered into before January 1, 2019, would require the system, upon determining that compensation for an employee member covered by that MOU reported by the state or a contracting agency conflicts with specified law, to discontinue the reporting of the disallowed compensation and not to pay benefits based on the disallowed compensation. The bill would require the contributions made on the disallowed compensation, for active members, to be credited against future contributions on behalf of the member. The bill would require PERS, with respect to retired members or beneficiaries whose final compensation at retirement was predicated upon disallowed compensation, to permanently adjust the benefit to reflect the inclusion of the disallowed compensation. The bill would also require the retired member or beneficiary to be permitted to retain the benefit level and not be required to repay that benefit, if, among other things, the member was unaware the compensation was disallowed when reported. The bill is at the Assembly Appr Committee), with no hearing set.

**SB 1165 (Pan).** Existing law creates the Cash Balance Benefit Program, which is administered by STRS, to provide a retirement plan for the benefit of participating employees who provide creditable service for less than 50% of full time. This bill would redefine “school year” as the time period beginning on July 1 of one calendar year and ending on June 30 of the following calendar year. The bill would make a variety of conforming amendments to reference school term instead of school year. The bill is at the Assembly Appr Committee), with no hearing set.

**SB 1166 (Pan).** This bill would require a contracting agency that fails to make its required employer contributions on time to notify members and retired members of the delinquency by mail within 30 days of the payment having become delinquent. The bill is at the Assembly Appr Committee), with no hearing set.

**SB 1270 (Vidak).** CERL authorizes the retirement boards of 5 specified counties to appoint assistant administrators and chief investment officers who, following appointment, are outside county charter, civil service, and merit system rules. CERL also provides that these appointees are employees of the county, although they will serve at the pleasure of the appointing retirement board, and who may be dismissed without cause.

This bill would apply these provisions to any county if the board of supervisors for that county, by resolution adopted by majority vote, makes those provisions applicable in the county.

**The bill passed out of the Assembly on consent on June 28, and was signed by the Governor on July 16 (Chap. 114, Stats. of 2018).**

**SB 1413 (Nielson).** This bill would enact the California Employers’ Pension Prefunding Trust Program and establish the California Employers’ Pension Prefunding Trust Fund to allow state and local public agency employers that provide a defined benefit pension plan to their employees to prefund their required pension contributions. The bill would authorize an employer, upon terms and conditions set by the CalPERS board (board), to elect to participate in the prefunding plan, and would require the governing body of that employer to enter into a contract with the board relative to the prefunding plan. Each participating employer would be required to pay an amount, determined by the board, for administrative and asset management costs of the prefunding plan to the fund and would grant the board the sole and exclusive control of the administration and investment of the fund. The bill would also set the terms under which a prefunding plan contract could be terminated or transferred. The bill is at the Assembly Appr Committee), with no hearing set.