

Final Statement of Reasons

Proposed amendment to amend Section 558.1 of Article 2 of Subchapter 1 of Division 1 of Title 2 of the California Code of Regulations (CCR).

UPDATE OF INITIAL STATEMENT OF REASONS

The Initial Statement of Reasons is still valid and relevant, and no changes have been made to the text of the proposed regulation.

SUMMARY AND RESPONSE TO COMMENTS RECEIVED DURING THE INITIAL PUBLIC NOTICE PERIOD OF MARCH 1, 2019 THROUGH APRIL 15, 2019

The California Public Employees' Retirement System (CalPERS) did not receive any public comments during the public notice period.

SUMMARY AND RESPONSE TO COMMENTS RECEIVED AT PUBLIC HEARING

While CalPERS allowed interested parties to request a public hearing from March 1, 2019 to April 15, 2019, no such requests were made and therefore a hearing was not scheduled.

REASONS FOR REJECTING ANY PROPOSED ALTERNATIVES THAT WOULD LESSEN ADVERSE ECONOMIC IMPACT ON SMALL BUSINESS

The proposed regulation does not affect small business because it would apply only to CalPERS Covered Persons and their spouses. The proposed regulation would have no statewide adverse economic impact directly affecting these businesses including the ability of these small businesses in California to compete with businesses in other states.

ALTERNATIVE DETERMINATION

No public comments were received during the public notice period. Therefore, no other alternatives were considered, identified, or brought to the CalPERS Board of Administration's (Board) attention that would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed actions, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Board approved the promulgation of this regulation through the rulemaking process at its June 2018 Board Meeting and the regulation was published in the California Regulatory Notice Register in March of 2019. The Board then adopted these regulations at its June 2019 Board Meeting. The amendment of 2 CCR section 558.1 is

necessary to ensure that (1) CalPERS fully complies with federal and state laws around the misuse of material, non-public information; and, (2) CalPERS' employees and their spouses have a clear understanding of the agency's personal trading requirements. The proposed regulation is consistent with existing law and is reasonably necessary to establish fair and transparent processes.

LOCAL MANDATE DETERMINATION

The proposed regulation does not impose any mandate on local agencies or school districts.