

**Public Employees' Retirement System
Board of Administration
2021-2022 Legislative Session
State and Federal Update
Status as of February 3, 2022**

Sponsored Bills

AB 386 (Cooper) Amended: 4/28/2021

CalPERS Position: Sponsor

Public Disclosure of Private Debt Records. Establishes disclosure parameters within the California Public Records Act for private debt investments managed directly by CalPERS.

Action Taken: Meetings with key stakeholders.

Location: 2/3/2022 -Senate Judiciary Committee

Active State Bills

AB 97 (Nazarian) Amended: 8/17/2021

CalPERS Position: N/A

Health Care Coverage: Insulin. Prohibits health care service plan contracts or health insurance policies issued, amended, delivered, or renewed on or after January 1, 2022 from imposing a deductible on an insulin prescription drug, except for a high deductible health plan, as defined.

Action Taken: Monitoring

Location: 8/27/2021-Senate Two Year Bill

AB 510 (Wood) Introduced: 2/9/2021

CalPERS Position: N/A

Out-of-Network Health Care Benefits. Authorizes a noncontracting individual health professional, excluding specified professionals, to bill or collect the out-of-network cost sharing amount directly from the enrollee or insured receiving services under a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2022, if the enrollee consents in writing or electronically at least 72 hours in advance of care. Requires the consent to include a list of contracted providers at the facility who are able to provide the services and to be provided in the 15 most commonly used languages in the facility's geographic region.

Action Taken: Monitoring

Location: 5/7/2021-Assembly Two Year Bill

AB 1130 (Wood) Amended: 6/1/2021

CalPERS Position: Support

California Health Care Quality and Affordability Act. Among other things, establishes the Office of Health Care Affordability (Office) with the Office of Statewide Health Planning Development (OSHPD) to analyze the health care market for cost and drivers of spending, develop data-informed policies for lowering health care costs, and create a strategy to control health care costs. Establishes the Health Care Affordability Advisory Board to recommend health care cost targets and advise the Director of OSHPD and the Office. The Office would be required to (1) set priority standards for various health care metrics and gather data to present and publish a report on baseline health care spending, among other things and (2) monitor cost trends in the health care market, as specified. Also prohibits an agreement or transaction for which a cost and market impact review proceeds to be implemented without a written waiver from the Office or until 30 days after the Office issues its final report. Requires the health care entity to pay a specified cost associated with the review and final report.

*Action Taken: Monitoring**Location: 7/14/2021-Senate Two Year Bill*

AB 1400 (Kaira) Amended: 1/24/2022

CalPERS Position: N/A

Guaranteed Health Care for All. Among other things, creates the California Guaranteed Health Care for All (CalCare) for all California residents that provides comprehensive universal single-payer health care coverage and a health care cost control system for benefits and other services that would incorporate the health care benefits and standards for other existing state and federal provisions. Requires the CalCare Board, consisting of nine Californian residents, to conduct and deliver a fiscal analysis, on or before July 1, 2024, to the Legislature that will determine whether or not CalCare may be implemented and whether the revenue is sufficient to pay for the program's costs within eight years of implementation. CalCare shall not become operative until (1) the people of California approve a revenue mechanism through a State proposition, and (2) the Legislature approves the implementation of CalCare by statute.

*Action Taken: Monitoring**Location: 1/21/2021-Assembly Floor*

ACA 11 (Kaira) Introduced: 1/5/2022

CalPERS Position: N/A

Health Care Coverage Funding. Establishes the CalCare Trust Fund in the State Treasury and deposits tax returns in the fund for the purpose of funding CalCare. Does not become operative until an act passed by the Legislature establishes in statute a comprehensive universal single-payer health care coverage and a health care cost control system for the benefit of every resident of California.

*Action Taken: Monitoring**Location: 1/5/2022-Assembly Print*

SB 245 (Gonzalez) Amended: 4/12/2021

CalPERS Position: N/A

Health Care Coverage: Cost Sharing for Abortion Services. Prohibits health care service plans or an individual or group policy of a disability insurance that is issued, amended, renewed, or delivered on or after January 1, 2022 from imposing a deductible, coinsurance, copayment, or any cost-sharing requirement on the coverage for abortion and abortion-related services and from imposing utilization management or utilization review for such coverage. Requires high deductible plans to prohibit cost-sharing for such coverage once the enrollee or insured's deductible has been satisfied for that benefit year. Preabortion and follow-up services would be included, but not limited to, the management of side effects and counseling.

*Action Taken: Monitoring**Location: 1/21/2022-Assembly Floor*

SB 250 (Pan) Amended: 3/11/2021

CalPERS Position: N/A

Health Care Coverage. Among other things, allows the Department of Managed Health Care (DMHC) to review a health care service plan's clinical criteria, guidelines, and utilization management policies, or any other provision of this chapter to ensure compliance and issue a corrective action if necessary. Authorizes the DMHC to coordinate with the Department of Insurance to develop this methodology. Also requires a health care service plan contract or health insurance contract issued, amended, or renewed on or after January 1, 2022 to reimburse a contracting individual health professional, as specified, the in-network cost-sharing amount for services provided to an enrollee or insured at a contracting health facility. Also requires a plan or insurer, and its delegated entities, on or after January 1, 2023, to (1) report the average number of denied prospective utilization review requests on an annual basis, (2) examine an individual health professional's record of prospective utilization requests during the preceding 12 months, and (3) grant an individual health professional approved status for two years if specified calculations are met. Authorizes a plan or insurer to request an audit of the individual health professional after the initial two years and grants the individual health professional an appeal process if an approved status is lost in the audit findings.

*Action Taken: Monitoring**Location: 7/14/2021-Assembly Two Year Bill*

SB 457 (Portantino) Introduced: 2/16/2021

CalPERS Position: Oppose

Segregated Investment Portfolio: Republic of Turkey. Requires CalPERS and CalSTRS to provide a school district or a city the option to elect an investment portfolio that does not contain investment vehicles issued or owned by the government of the Republic of Turkey.

*Action Taken: Monitoring**Location: 7/14/2021-Assembly Two Year Bill*

SB 473 (Bates) Amended: 1/13/2022

CalPERS Position: N/A

Insulin Cost Sharing. Prohibits health care service plan contracts or health insurance policies issued, amended, delivered, or renewed on or after January 1, 2022, from imposing cost sharing on a covered insulin prescription, except for a copayment not to exceed \$50 per 30-day supply of insulin, or \$100 total per month, regardless of the type of insulin needed to fill a prescription or prescriptions.

*Action Taken: Monitoring**Location: 1/19/2022-Senate Floor*

SB 523 (Leyva) Amended: 7/8/2021

CalPERS Position: N/A

Contraceptive Equity Act of 2021. Creates the Contraceptive Equity Act of 2021 that would expand contraceptive coverage by health care service plans or health insurance policies issued, amended, renewed, or delivered on or after January 1, 2022 and prohibit them from imposing a deductible, coinsurance, copayment, or any other cost-sharing requirement on vasectomy, tubal ligation, hysterectomy, or other similar sterilization services or procedures, and without prior authorization requirements. Beginning January 1, 2022, the bill requires health benefit plans or contracts subject to CalPERS Board of Administration authority to comply with this Act. Among its other provisions, the bill requires health care service plans and health insurers, without medical management restrictions, to (1) provide point-of-sale coverage for over the counter FDA-approved contraceptive drugs, devices and products at in-network pharmacies without cost sharing and without a prescription. Also requires health care service plans and insurance policies, approved on or after January 1, 2023, offered by public or private institutions of higher learning that directly provide health care services to its students, faculty, staff, administration, and respective dependents to comply to this bill, including the California State University and University of California institutions. Prohibits an employer from discriminating or retaliating against an employee for their reproductive health decision making.

*Action Taken: Monitoring**Location: 8/27/2021-Assembly Two Year Bill*

SB 562 (Portantino) Amended: 8/30/2021

CalPERS Position: N/A

Health Care Coverage: Pervasive Developmental Disorders or Autism. Among other things, revises the definition of “behavioral health treatment” to require the services and treatment programs provided to be based on behavioral, developmental, relationship-based, or other evidence-based models. Expands and revises the definition of “qualified autism service professional”, as specified. Requires the qualified autism service provider design an intervention plan that would include parent or caregiver participation, when clinically appropriate, that is individualized to the patient, or develop an alternate plan if the parent or caregiver is unable to participate. Prohibits the following as being used to deny or reduce coverage for medically necessary services: lack of parent or caregiver participation, implementation of an alternate plan, or the setting, location, or time of treatment.

*Action Taken: Monitoring**Location: 9/10/2021-Assembly Two Year Bill*

SB 835 (Newman) Introduced: 1/6/2022

CalPERS Position: N/A

Employee Benefits: Legislature Employees. Requires the Legislature to continue to pay employer contributions for health, dental, and vision benefits for a period not to exceed 120 days upon the death of an active legislative employee, to the extent that benefits have been elected. This is consistent with existing law for state employees.

Action Taken: Discussions with author's office on bill drafting

Location: 1/6/2022-Senate Rules Committee

SB 850 (Laird) Introduced: 1/18/2022

CalPERS Position: N/A

Special Death Benefit. Requires payments of the additional percentage of the special death benefit, payable when the member is killed performing their duty by accident or external violence, be made to the guardian of the member's child or children when the member does not have a surviving spouse. This bill would be effective retroactively on January 1, 2020.

Action Taken: Discussions with author's office on bill drafting

Location: 1/18/2022-Senate Rules Committee

Dead State Bills

AB 797 (Wicks) Introduced: 2/16/2021

CalPERS Position: N/A

Health Care Coverage: Infertility Treatment. Requires health care service plan contracts and health insurance policies issued, amended, or renewed on or after January 1, 2022 to provide coverage for infertility treatment. Revises the definition of infertility and removes the exclusion of invitro fertilization from coverage. Also deletes (1) current exemptions for religiously affiliated employers, health care service plans, and health insurance policies from requirements relating to the coverage for infertility treatment and (2) the requirement that a health care service plan contract and health insurance policy provide such treatment under agreed-upon terms.

Action Taken: This bill will be removed from the legislative state program update because it did not meet the legislative calendar deadline.

Location: 1/14/2022-Assembly Dead. Failed deadline pursuant to Rule 61(b)

AB 933 (Daly) Amended: 1/14/2022

CalPERS Position: N/A

Prescription Drug Cost Sharing. Among other things, requires an enrollee's or insured's defined cost sharing for each prescription drug to be calculated at the point of sale based on a price that is reduced by an amount equal to 90 percent of all rebates received or to be received in connection with the dispensing or administration of the drugs. Requires a health care service plan or health insurer to (1) provide each enrollee or insured a good faith estimate of their decrease of cost sharing at the point of sale as well as an end-of-calendar year reconciliation for any cost-sharing reductions owed that were not passed on at the point of sale; (2) calculate an enrollee's or insured's defined cost sharing and provide such information to the dispensing pharmacy; and (3) disclose information, including, but not limited to, wholesale acquisition cost and actual amounts of rebate, to show compliance with such provisions to the Director of the Department of Managed Health Care (Department) or Insurance Commissioner (Commissioner) upon request. Prohibits health care service plans, health insurers, or a plan or insurer's agents from revealing information on the actual amount of rebates they receive on product-specific, manufacturer-specific, or pharmacy-specific basis. Requires the Department and the Commissioner to provide a report to the public and legislators that demonstrates the overall impact of drug costs on health care premiums until January 1, 2026, in which it is repealed.

Action Taken: This bill will be removed from the legislative state program update because it did not meet the legislative calendar deadline.

Location: 1/20/2022-Assembly Appropriations Committee, held under submission1

AB 935 (Maienschein) Amended: 4/19/2021

CalPERS Position: N/A

Telehealth: Mental Health. Among other things, requires health care service plans and health insurers to (1) provide access to a telehealth consultation program that meets specified criteria, (2) offer providers who treat children, pregnant, and certain postpartum persons with access to a mental health consultation, (3) monitor data pertaining to the utilization of the program to facilitate quality improvement, and (4) provide a description of the program to the appropriate department.

Action Taken: This bill will be removed from the legislative state program update because it did not meet the legislative calendar deadline.

Location: 1/20/2022-Assembly Appropriations Committee, held under submission

AB 1011 (Waldron) Introduced: 2/18/2021

CalPERS Position: N/A

Health Care Coverage: Substance Use Disorder Treatment. Requires health care service plans contracts and health insurance policies issued, amended, or renewed on or after January 1, 2022 to provide outpatient prescription drug benefits to cover all medically necessary prescription drugs approved by the United States Food and Drug Administration (FDA) to treat substance use disorders and would require these drugs be placed on the lowest cost sharing tier of the plan or insurer's prescription drug formulary, unless specified criteria are met. Prohibits contracts and policies from imposing prescribed requirements on a prescription drug approved by the FDA for treating substance use disorders, unless specified criteria are met.

Action Taken: This bill will be removed from the legislative state program update because it did not meet the legislative calendar deadline.

Location: 1/14/2022-Assembly Dead. Failed deadline pursuant to Rule 61(b)

AB 1019 (Holden) Introduced: 2/18/2021

CalPERS Position: N/A

Divestment: Republic of Turkey. Prohibits state trust funds, as defined, from making additional or new investments or renewing existing investments in investment vehicles issued or owned by the government of Turkey unless the government of Turkey acknowledges the Armenian Genocide and begins to afford justice to its victims.

Action Taken: This bill will be removed from the legislative state program update because it did not meet the legislative calendar deadline.

Location: 1/14/2022-Assembly Dead. Failed deadline pursuant to Rule 61(b)

AB 1092 (Mayes) Amended: 4/26/2021

CalPERS Position: N/A

Public Employees' Retirement Health Benefits. Excludes a person, who has retired under PERS and who has obtained work with a subsequent employer, from receiving health benefits under PEMCHA if that subsequent employer offers health care coverage with comparable benefits. Grants the person reinstatement rights upon termination of the subsequent employer. Authorizes the CalPERS Board of Administration to request information regarding employment and health care coverage offered by a person's subsequent employer. Prohibits persons who have retired under a public retirement system, annuitants, and their beneficiaries who are eligible to enroll in Medicare Part A and Part B from being enrolled in a basic health plan offered by the public retirement system.

Action Taken: This bill will be removed from the legislative state program update because it did not meet the legislative calendar deadline.

Location: 1/14/2022-Assembly Dead. Failed deadline pursuant to Rule 61(b)

AB 1107 (Boerner Horvath) Introduced: 2/18/2021

CalPERS Position: N/A

Health Care Coverage: Emergency Ground Medical Transportation. Requires health care service plan contracts and health insurance policies issues, amended, or renewed on or after January 1, 2022 to offer coverage for emergency medical ground transportation services and to include these services as in-network services. Requires the plan or insurer to pay for such services at the contracted rate pursuant to the plan contract or policy.

Action Taken: This bill will be removed from the legislative state program update because it did not meet the legislative calendar deadline.

Location: 1/14/2022-Assembly Dead. Failed deadline pursuant to Rule 61(b)

AB 1131 (Wood) Amended: 3/29/2021

CalPERS Position: N/A

Health Information Network. Among other things, establishes the statewide health information network (HIN) governing board, an independent public entity, to provide data infrastructure and which will be required to select an operating entity to support the electronic exchange of health information. Requires the statewide HIN to convene a health technology advisory committee with specified membership to advise the statewide HIN and set agendas, hold public meetings with stakeholders, and solicit external input on behalf of the statewide HIN. Requires a health care entity, including a hospital, health system, skilled nursing facility, laboratory, physician practice, health care service plan, health insurer, and the State Department of Health Care Services, to submit specified data to the operating entity. Authorizes the HIN to add additional health care entities or data to the list of entities required to submit data by adopting subsequent regulation. Also, requires a health care service plan, health insurer, and a health care provider to collect and submit health equity data to the operating entity.

Action Taken: This bill will be removed from the legislative state program update because it did not meet the legislative calendar deadline.

Location: 1/15/2022-Assembly Appropriations Committee, Suspense File

AB 1162 (Villapudua) Amended: 4/26/2021

CalPERS Position: N/A

Health Care Coverage: Claims Payments. Among other things, requires health care service plans or disability insurer that provides hospital, medical, or surgical coverage to provide access to medically necessary health care services during a state of emergency that are displaced or affected by the state of emergency. Allows the Department of Managed Health Care and the Department of Insurance to suspend requirements for prior authorization during the state of emergency and issue guidance regarding compliance. Shortens the time requirements for a plan or insurer to pay or contest a claim for emergency or nonemergency services to 20 working day. Requires plans or insurers to pay a provider any interest or fees that accrue from failure to pay such a claim.

Action Taken: This bill will be removed from the legislative state program update because it did not meet the legislative calendar deadline.

Location: 5/25/2021-Assembly Two Year Bill

AB 1254 (Gipson) Introduced: 2/19/2021

CalPERS Position: N/A

Health Care Coverage: Mobile Stroke Unit. Requires health care service plans or health insurance policies issued, amended, or renewed on or after January 1, 2022 to provide coverage for emergency health care services performed by a mobile stroke unit.

Action Taken: This bill will be removed from the legislative state program update because it did not meet the legislative calendar deadline.

Location: 1/14/2022-Assembly Dead. Failed deadline pursuant to Rule 61(b)

SB 449 (Stern) Amended: 4/22/2021

CalPERS Position: N/A

Climate Change Financial Risk Task Force. Among other things, establishes the Climate Change Financial Risk Task Force to assess climate-related financial risks by reviewing climate-related financial risk reports and preparing a public report. A representative designated by the CalPERS Board of Administration shall serve on the task force.

Action Taken: This bill will be removed from the legislative state program update because it did not meet the legislative calendar deadline.

Location: 1/20/2022-Senate Appropriations Committee, held under submission

Federal Bills

H.R. 3 - Pallone, Frank, Jr. (D-NJ) Introduced: 4/22/2021

CalPERS Position: N/A

Elijah E. Cummings Lower Drug Costs Now Act. Establishes several programs and requirements relating to the prices of prescription drugs. It requires the Department of Health and Human Services (HHS) to negotiate prices for single-source, brand-name drugs that lack certain generics and that are among either the 125 drugs that account for the greatest national spending or the 125 drugs that account for the greatest Medicare spending. The negotiated prices must be offered under Medicare and may also be offered under private health insurance unless the insurer opts out. The negotiated maximum price may not exceed (1) 120% of the average price in Australia, Canada, France, Germany, Japan, and the United Kingdom; or (2) if such information is not available, 85% of the U.S. average manufacturer price. Under the Medicare prescription drug benefit, it also (1) requires drug manufacturers to issue rebates to the Centers for Medicare & Medicaid Services for covered drugs that cost \$100 or more and for which the average manufacturer price increases faster than inflation; and (2) reduces the annual out-of-pocket spending threshold, and (3) eliminates beneficiary cost-sharing above this threshold.

Action Taken: Monitoring

Status: 5/4/2021 - House Committee on Energy and Commerce's Subcommittee on Health hearing held. The bill has also been referred to four other committees including the House Committee on Ways and Means and the House Committee on Education and Labor.

H.R. 82 - Davis, Rodney (R-IL) Introduced: 1/4/2021

CalPERS Position: N/A

Social Security Fairness Act of 2021. Repeals the Government Pension Offset and the Windfall Elimination Provision from the Social Security Act, which impacts state and local government retirees that have earned pensions through employment not coordinated with Social Security.

Action Taken: Monitoring

Status: 1/4/2021 - Referred to the House Committee on Ways and Means.

Note: S. 1302 (Brown D-OH) is companion legislation that was introduced on April 22, 2021. Staff is monitoring this companion legislation.

H.R. 1087 - Foster, Bill (D-IL) Introduced: 2/18/2021

CalPERS Position: Support

Shareholder Political Transparency Act of 2021. Requires public companies to disclose political activity expenditures information including the expenditures' dates and amounts, the names of candidates (if any) the expenditures were made in support of or opposition to, and the names of any trade associations or organizations the expenditures were made to.

Action Taken: CalPERS testified in support of principles described in this bill at the February 25, 2021 hearing of the House Committee on Financial Services' Subcommittee on Investor Protection, Entrepreneurship and Capital Markets.

Status: 6/8/2021 - Placed on the House Union Calendar, Calendar No. 36.

Note: Incorporated into H.R. 1187 (Vargas D-CA).

H.R. 1187 - Vargas, Juan (D-CA) Introduced: 2/18/2021

CalPERS Position: Support

Corporate Governance Improvement and Investor Protection Act. Legislative package containing provisions of previously monitored bills that requires public companies to disclose, among other things: the link between environmental, social, and governance (ESG) metrics and their long-term business strategy (H.R. 1187), political expenditures (H.R. 1087), compensation practices (H.R. 3471), climate-related risks (H.R. 2570), tax expenditures (H.R. 3007), human capital management (HCM) policies, practices, and performance (H.R. 3471), cybersecurity expertise of their directors (S. 808), and voluntary self-identified racial, ethnic, gender, sexual orientation, gender identity, and veteran status of their directors, director nominees, and senior executives (H.R. 1277).

Action Taken: Sent a letter to Speaker Pelosi and Minority Leader McCarthy expressing support for the overall direction of this bill on June 14, 2021.

Status: 6/17/2021 – Referred to the Senate Committee on Banking, Housing, and Urban Affairs.

H.R. 1277 - Meeks, Gregory W. (D-NY) Introduced: 2/24/2021

CalPERS Position: Support

Improving Corporate Governance Through Diversity Act of 2021. Requires public companies to disclose the racial, ethnic, gender identity, and sexual orientation of their boards of directors and executive officers (based on voluntary self-identification), as well as the status of any of those directors and officers as a veteran. It also requires the disclosure of any plan to promote racial, ethnic, and gender diversity among these groups. It also requires the SEC to establish a Diversity Advisory Group to report on strategies to increase gender identity, racial, ethnic, and sexual orientation diversity among board members.

Action Taken: Sent a letter to Rep. Meeks expressing support for this bill on April 9, 2021.

Status: 4/21/2021 - Passed the House Committee on Financial Services.

Note: Incorporated into H.R. 1187 (Vargas D-CA). S. 374 (Menendez D-NJ) is companion legislation that was introduced on February 23, 2021. Staff is monitoring this companion legislation.

H.R. 1319 - Yarmuth, John A. (D-KY) Signed into law by the President: 3/11/2021

CalPERS Position: N/A

American Rescue Plan Act of 2021. An economic relief package that, among other things, provides assistance to individuals with direct one-time payments of up to \$1,400 per person, a refundable payroll tax credit to those who want to remain on their former employers' health plans under COBRA, and approximately \$30 billion for targeted rental assistance and mortgage relief. In addition, it provides approximately \$350 billion in aid to state and local governments and \$129 billion for reopening schools. It allocates approximately \$62 billion for COVID-19 testing, contact tracing and vaccination services, and to expand the public health workforce. It also assists certain private sector multiemployer defined benefit pension plans and reduces funding requirements for single-employer pension plans.

Action Taken: Reviewing for potential impacts to CalPERS.

Status: 3/11/2021 - Signed by the President. (Public Law No. 117-2)

H.R. 1528 - Waters, Maxine (D-CA) Introduced: 3/2/2021

CalPERS Position: Support

Promoting Transparent Standards for Corporate Insiders Act. Requires the SEC to analyze, design and adopt amendments to SEC Rule 10b5-1, that allows certain employees of publicly traded corporations to sell their shares without violating prohibitions on insider trading, to address multiple trading plans, the timing of trades under trading plans, the timing of trade plan modifications and cancellations, and the disclosure of trade plan adoptions, amendments, terminations, and transactions.

Action Taken: Sent a letter to Chairwoman Waters expressing support for this bill on April 9, 2021.

Status: 4/22/2021 - Referred to the Senate Committee on Banking, Housing, and Urban Affairs.

H.R. 1629 - Dean, Madeleine (D-PA) Introduced: 3/8/2021

CalPERS Position: N/A

Fairness in Orphan Drug Exclusivity Act. Requires the Food and Drug Administration to take into account the sales of all of a manufacturer's drugs developed under the same "orphan drug" designation, when granting market exclusivity for certain drugs used to treat rare diseases or conditions where the manufacturer's costs to develop and distribute the drug cannot be recovered within its first 12 years of U.S. sales.

Action Taken: Monitoring

Status: 5/20/2021 - Referred to the Senate Committee on Health, Education, Labor, and Pensions.

H.R. 2337 - Neal, Richard E. (D-MA) Introduced: 4/1/2021

CalPERS Position: N/A

Public Servants Protection and Fairness Act of 2021. Creates a new, more proportional Windfall Elimination Provision formula. For those who are first eligible to receive Social Security before 2023 – the new formula does not apply. They get a monthly additional payment (a "rebate"). For those who are first eligible to receive Social Security starting in 2023– they can use the current formula or the new formula, whichever is higher.

Action Taken: Monitoring

Status: 4/1/2021 - Referred to the House Committee on Ways and Means.

H.R. 2570 - Casten, Sean (D-IL) Introduced: 4/15/2021

CalPERS Position: Support

Climate Risk Disclosure Act of 2021. Requires the SEC to issue rules that require public companies to report on their direct and indirect greenhouse gas emissions, fossil-fuel-related assets, how their valuation would be affected if climate change continues at its current pace, and their risk management strategies related to risks posed by climate change.

Action Taken: Sent a letter to Speaker Pelosi and Minority Leader McCarthy expressing support for this bill on May 26, 2021.

Status: 5/20/2021 - Placed on the House Union Calendar, Calendar No. 22.

Note: Incorporated into H.R. 1187 (Vargas D-CA). S. 1217 (Warren D-MA) is companion legislation that was introduced on April 19, 2021. Staff is monitoring this companion legislation.

H.R. 2620 - Foster, Bill (D-IL) Introduced: 4/16/2021

CalPERS Position: N/A

Investor Choice Act of 2021. Prohibits issuers of securities from mandating arbitration for a dispute between the issuer and its shareholders. The bill would also make it unlawful for any broker dealer or investment advisor to mandate arbitration with customers. The bill would retroactively apply to agreements that mandate arbitration.

Action Taken: Monitoring

Status: 11/16/2021 - Passed the House Committee on Financial Services.

H.R. 2655 - Himes, James A. (D-CT) Introduced: 4/19/2021

CalPERS Position: Support

Insider Trading Prohibition Act. Makes it unlawful for a person to trade on material, nonpublic information when the information was wrongfully obtained, or when the use of such information to make a trade would be deemed wrongful and makes it unlawful to communicate that information to another person when it is reasonable that the person is likely to trade on that information.

Action Taken: Monitoring

Status: 5/19/2021 - Referred to the Senate Committee on Banking, Housing, and Urban Affairs.

H.R. 2954 - Neal, Richard E. (D-MA) Introduced: 5/4/2021

CalPERS Position: N/A

Securing a Strong Retirement Act of 2021. Among other things, increases the individual retirement account required minimum distribution age from 72 to 75, enrolls private sector employees automatically in their company's 401(k) plan, creates a new financial incentive for small businesses to offer retirement plans, offers individuals ages 62 through 64 additional "catch-up" opportunities as they approach retirement, and allows individuals to pay down a student loan instead of contributing to a 401(k) plan and still receive an employer match in their retirement plan.

Action Taken: Monitoring

Status: 5/5/2021 - Passed the House Committee on Ways and Means.

Also referred to the House Committee on Financial Services and the House Committee on Education and Labor.

H.R. 3007 - Axne, Cynthia (D-IA) Introduced: 5/7/2021

CalPERS Position: Support

Disclosure of Tax Havens and Offshoring Act. Requires publicly traded companies to annually disclose information on their subsidiaries and specified country-by-country financial information including total pre-tax profits, total amounts paid in State, Federal, and foreign taxes, employees, and tangible assets.

Action Taken: CalPERS testified in support of principles described in this bill at the February 25, 2021 hearing of the House Committee on Financial Services' Subcommittee on Investor Protection, Entrepreneurship and Capital Markets.

Status: 6/8/2021 - Placed on the House Union Calendar, Calendar No. 35.

Note: Incorporated into H.R. 1187 (Vargas D-CA). S. 1545 (Van Hollen D-MD) is companion legislation that was introduced on May 11, 2021. Staff is monitoring this companion legislation.

H.R. 3471 - Axne, Cynthia (D-IA) Introduced: 5/25/2021

CalPERS Position: Support

Workforce Investment Disclosure Act of 2021. Requires public companies to disclose basic human capital metrics, including workforce turnover rates, skills and development training, workforce health and safety, workforce engagement, and compensation statistics.

Action Taken: Monitoring

Status: 5/25/2021 - Referred to the House Committee on Financial Services.

Note: Incorporated into H.R. 1187 (Vargas D-CA). S. 1815 (Warner D-VA) is companion legislation that was introduced on May 25, 2021. Staff is monitoring this companion legislation.

H.R. 3684 - DeFazio, Peter A. (D-OR) Signed into law by the President: 11/15/2021

CalPERS Position: N/A

Infrastructure Investment and Jobs Act. A bipartisan package that provides approximately \$550 billion in new federal funding for physical infrastructure. Specifically, it provides \$283.5 billion in transportation funding, including, but not limited to, \$110 for road and bridge projects, \$66 billion for passenger and freight rail projects, \$39.2 billion for public transit projects, and \$11 billion to support infrastructure for electric, zero-emission, and low-emission vehicles. Additionally, the bill includes \$239 billion in other infrastructure funding, including, but not limited to, \$73 billion for power grid projects, \$65 billion for broadband infrastructure enhancements, and \$46 billion for cybersecurity and ecosystem restoration projects.

Action Taken: Monitoring

Status: 11/15/2021 - Signed by the President. (Public Law No. 117-58)

H.R. 4616 - Sherman, Brad (D-CA) Introduced: 7/22/2021

CalPERS Position: N/A

Adjustable Interest Rate (LIBOR) Act of 2021. Establishes a process for certain financial contracts that reference the London Interbank Offered Rate (LIBOR) and do not contain sufficient language that would allow them to continue to function as originally intended after LIBOR is discontinued, to instead reference Secured Overnight Financing Rate (SOFR), or an appropriately adjusted form of SOFR without the need to be amended or subject to litigation.

Action Taken: Monitoring

Status: 12/9/2021 - Referred to the Senate Committee on Banking, Housing, and Urban Affairs.

H.R. 4617 - Sherman, Brad (D-CA) Introduced: 7/22/2021

CalPERS Position: N/A

Order Flow Improvement Act. Requires the SEC to study "payment for order flow" - the compensation a brokerage firm receives for routing investors' trades to market centers for trade execution - including conflicts of interest and the price and speed of trade executions. The bill also allows the SEC to issue rules prohibiting payment for order flow prior to the completion of the study if the SEC finds such a rule necessary to protect investors.

Action Taken: Monitoring

Status: 7/29/2021 - Passed the House Committee on Financial Services.

H.R. 4618 - Waters, Maxine (D-CA) Introduced: 7/22/2021

CalPERS Position: N/A

Short Sale Transparency and Market Fairness Act. Shortens the reporting period for "13-F" disclosures - filed by institutional investment managers with at least \$100 million in assets under management - from quarterly to monthly, requires such reports to be filed within 10 days of the end of each month, expands the list of items to be disclosed to include certain derivatives, directs the SEC to complete rulemaking that requires aggregate short positions to be disclosed on form 13F, and directs the SEC to study and report the use of confidential filing requests.

*Action Taken: Monitoring**Status: 7/29/2021 - Passed the House Committee on Financial Services.*

H.R. 5376 - Yarmuth, John A. (D-KY) Introduced: 9/27/2021

CalPERS Position: N/A

Build Back Better Act. A "budget reconciliation bill" that sets forth the congressional budget for the United States Government for fiscal year 2022 and sets forth the appropriate budgetary levels for fiscal years 2023 through 2031. As of the date of this report's publishing, the size and scope of the bill are still being negotiated. The bill currently as written provides funding for safe drinking water, energy-efficiency, and weatherization projects; electric vehicles and zero-emission, heavy-duty vehicles; housing, rental, and homeowner assistance programs; wildfire prevention, drought relief, conservation efforts, and climate change research. Additionally, the bill establishes programs to provide health benefits for individuals who reside in states that have not expanded Medicaid. The bill also includes provisions that expand Medicare to cover dental, hearing, and vision care; provide up to 12 weeks of paid family and medical leave; and require the Department of Health and Human Services to negotiate maximum prices for certain brand-name drugs under Medicare.

*Action Taken: Monitoring**Status: 11/6/2021 - Passed the House.*

S. 588 - Feinstein, Dianne (D-CA) Introduced: 3/4/2021

CalPERS Position: Support

Addressing Climate Financial Risk Act of 2021. Establishes the Climate Risk Advisory Committee that must consult with the U.S. Treasury Department's Financial Stability Oversight Council regarding a report on the impact of climate risk on U.S. financial stability. Additionally, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the National Credit Union Administration must include climate risk in the guidance provided to supervised financial institutions.

*Action Taken: Sent a letter to Senator Feinstein expressing support for this bill on March 5, 2021.**Status: 3/4/2021 - Referred to the Senate Committee on Banking, Housing, and Urban Affairs.*

Note: H.R. 1549 (Casten D-IL) is companion legislation that was introduced on March 3, 2021. Staff is monitoring this companion legislation.

S. 808 - Reed, Jack (D-RI) Introduced: 3/17/2021

CalPERS Position: Support

Cybersecurity Disclosure Act of 2021. Requires the SEC to issue final rules requiring publicly traded companies to disclose whether any member of its governing body has expertise or experience in cybersecurity in its mandatory annual report or annual proxy statement. If no member has such expertise or experience, the company must describe what other company cybersecurity steps were taken into account by the persons responsible for identifying and evaluating nominees for the governing body.

Action Taken: Sent a letter to Senator Reed expressing support for this bill on April 2, 2021.

Status: 9/14/2021 - Senate Committee on Banking, Housing, and Urban Affairs hearing held.

Note: House version (Himes D-CT) incorporated into H.R. 1187 (Vargas D-CA).

S. 817 - Schatz, Brian (D-HI) Introduced: 3/18/2021

CalPERS Position: N/A

Wall Street Tax Act of 2021. Imposes a 0.1% “financial transaction tax” on trades of stocks, bonds, and derivatives.

Action Taken: Monitoring

Status: 3/18/2021 - Referred to the Senate Committee on Finance.

Note: H.R. 328 (DeFazio D-OR) is companion legislation that was introduced on January 15, 2021. Staff is monitoring this companion legislation.

S. 909 - Sanders, Bernard (I-VT) Introduced: 3/23/2021

CalPERS Position: N/A

Prescription Drug Price Relief Act of 2021. Requires the Secretary of the U.S. Health and Human Services Agency to annually identify the list of “excessively priced” patented, brand name drugs that are being sold in the U.S. at prices higher than the median price in Canada, the United Kingdom, Germany, France, and Japan. If the U.S. price of a patented brand name drug exceeds the median price of the drug in other countries, or if the Secretary otherwise determines the drug to be excessively priced, the bill requires the Secretary to allow generic drug manufacturers to make more affordable versions of the drug.

Action Taken: Monitoring

Status: 3/23/2021 - Senate Committee on Health, Education, Labor, and Pensions' Subcommittee on Primary Health and Retirement Security hearing held.

Note: H.R. 2148 (Khanna D-CA) is companion legislation that was introduced on March 23, 2021. Staff is monitoring this companion legislation.

S. 1388 - Grassley, Chuck (R-IA) Introduced: 4/27/2021

CalPERS Position: N/A

Prescription Pricing for the People Act of 2021. Requires the Federal Trade Commission (FTC) to study the role of intermediaries, like pharmacy benefit managers, in the pharmaceutical supply chain and provide Congress with appropriate policy recommendations.

Action Taken: Monitoring

Status: 7/29/2021 - Passed the Senate Committee on the Judiciary.

S. 1425 - Klobuchar, Amy (D-MN) Introduced: 4/28/2021

CalPERS Position: N/A

Stop STALLING Act. Enables the FTC to deter filing of sham citizen petitions to cover an attempt to interfere with approval of a competing generic drug or biosimilar and facilitates the efficient review of petitions filed in good faith that raise legitimate public health concerns. The bill would also enable the FTC to levy fines or sue manufacturers in court.

Action Taken: Monitoring

Status: 12/8/2021 - Placed on Senate Legislative Calendar under General Orders.

Note: H.R. 2883 (Jeffries D-NY) is companion legislation that was introduced on April 28, 2021. Staff is monitoring this companion legislation.

S. 1428 - Klobuchar, Amy (D-MN) Introduced: 4/28/2021

CalPERS Position: N/A

Preserve Access to Affordable Generics and Biosimilars Act. Authorizes the FTC to initiate proceedings against drug companies that are parties to any agreement resolving or settling a patent infringement claim in connection with the sale of a drug or biological product (also known as “pay-for-delay” agreements).

Action Taken: Monitoring

Status: 12/9/2021 - Placed on Senate Legislative Calendar under General Orders.

Note: H.R. 2891 (Nadler D-NY) is companion legislation that was introduced on April 28, 2021. Staff is monitoring this companion legislation.

S. 1435 - Cornyn, John (R-TX) Introduced: 4/28/2021

CalPERS Position: N/A

Affordable Prescriptions for Patients Act of 2021. Empowers the FTC to curtail drug “product hopping,” a practice where brand name drug manufacturers seek to extend their market exclusivity on an expiring patented drug by developing a slightly modified version of the drug.

Action Taken: Monitoring

Status: 7/29/2021 - Passed the Senate Committee on the Judiciary.

Note: H.R. 2873 (Cicilline D-RI) is companion legislation that was introduced on April 28, 2021. Staff is monitoring this companion legislation.

S. 1598 - Baldwin, Tammy (D-WI) Introduced: 5/12/2021

CalPERS Position: N/A

Carried Interest Fairness Act of 2021. Modifies the tax treatment of carried interest, which is compensation that is typically received by a partner of a private equity or hedge fund for investment management services and is based on a share of the fund's profits. Under current law, carried interest is taxed as investment income rather than at ordinary income tax rates. The bill would, among other things, set forth a special rule for the inclusion in gross income of partnership interests transferred in connection with the performance of services, and treat as ordinary income the net capital gain with respect to an investment services partnership interest, as specified. The bill also defines “investment services partnership interest” as any interest in a partnership held by a person who provides services to a partnership by (1) advising the partnership about investing in, purchasing, or selling specified assets; (2) managing, acquiring, or disposing of specified assets; or (3) arranging financing with respect to acquiring specified assets.

Action Taken: Monitoring

Status: 5/12/2021 - Referred to the Senate Committee on Finance.

Note: H.R. 1068 (Pascarell D-NJ) is companion legislation that was introduced on February 15, 2021. Staff is monitoring this companion legislation.

S. 2617 - Wyden, Ron (D-OR) Introduced: 8/5/2021

CalPERS Position: N/A

Ending the Carried Interest Loophole Act. Eliminates carried interest, a form of compensation received by certain partners in private equity, real estate, or hedge funds for investment management services. Under current law, such compensation can be deferred from taxation until income is realized by the partnership and then taxed at investment income tax rates. The bill eliminates a partner's ability to defer tax on such compensation, and requires it be taxed at ordinary income tax rates.

Action Taken: Monitoring

Status: 8/5/2021 - Referred to the Senate Committee on Finance.

S.Con.Res. 14 - Sanders, Bernard (I-VT) Introduced: 8/9/2021

CalPERS Position: N/A

FY 2022 Budget Reconciliation Package. A \$3.5 trillion resolution that sets forth the congressional budget for the United States Government for fiscal year 2022 and sets forth the appropriate budgetary levels for fiscal years 2023 through 2031. While the contents of the resolution are still being negotiated, reports indicate that the resolution may include language allowing the federal government to negotiate Medicare drug prices with the understanding that negotiating would bring about lower prices and with the savings used to expand Medicare to provide dental, hearing, and vision benefits and to lower Medicare's eligibility age. The resolution may also include tax incentives to promote clean energy, manufacturing, and transportation. The resolution may be paid for by raising taxes on corporations and individuals earning over \$400,000 per year.

Action Taken: Monitoring

Status: 8/24/2021 - Passed the House.

S.J.Res. 16 - Brown, Sherrod (D-OH) Introduced: 3/25/2021

CalPERS Position: Support

Congressional Review Act Resolution. Disapproves the rule adopted by the SEC relating to “Procedural Requirements and Resubmission Thresholds Under Exchange Act Rule 14a-8” regarding minimum requirements for shareholder proposals.

Action Taken: Sent a letter to Senator Brown expressing support for this resolution on May 4, 2021.

Status: 3/25/2021 - Referred to the Senate Committee on Banking, Housing, and Urban Affairs.

Note: H.J.Res. 36 (San Nicolas D-GU) is the companion resolution that was introduced on March 26, 2021. Staff is monitoring this companion resolution and sent a letter to Del. San Nicolas expressing support on May 5, 2021.
