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FACTS AT A GLANCE: LEGISLATION

JULY 2009

Facts at a Glance is a monthly compilation of information of interest to Board Members, staff, and the general public. Information is current as of June 23, 2009, unless otherwise noted. Every effort has been made to verify the accuracy of the information, which is intended for general use only. Please direct any general questions and comments to the Public Affairs Office at (916) 795-3991, and questions regarding legislation to the Office of Governmental Affairs at (916) 795-3689.

SECTION A — SPONSORED BILLS

BILL N^o/VERSION: AB 399 A-06/17/2009
AUTHOR: Brownley
POSITION: Sponsor
STATUS: 06/22/2009—Assembly Unfinished Business Concurrence in Senate
SUMMARY: **Inactive Member Distributions.** Requires an inactive member who has attained age 70 to be sent an election form requesting he or she take a refund or retire. Failure to respond within 90 days will be deemed an election to withdraw contributions. The bill also allows funds to be transferred between self-funded plans, with a January 1, 2012 sunset date. The bill contains an urgency clause.

BILL N^o/VERSION: AB 637 A-04/02/2009
AUTHOR: Hill
POSITION: Sponsor
STATUS: 06/08/2009—Senate Appropriations Committee
SUMMARY: **Mandatory Electronic Funds Transfer (EFT).** Requires that all contracting agencies submit retirement contributions and health premium payments due to CalPERS through EFT, unless granted a waiver by the Board. It would also change the rate of interest CalPERS can charge on late payments to an actuarial rate of interest, rather than a market rate.

BILL N^o/VERSION:	AB 966 A-06/02/2009
AUTHOR:	Assembly PER&SS Committee
POSITION:	Sponsor
STATUS:	06/08/2009—Senate Appropriations Committee
SUMMARY:	Housekeeping Bill. This bill would make various technical and minor policy changes to CalPERS and its administration. The changes are primarily non-substantive in nature.

SECTION B — OTHER BILLS

BILL N^o/VERSION: AB 29 A-03/24/2009

AUTHOR: Price

POSITION:

STATUS: 06/02/2009—2 YEAR BILL

SUMMARY: **PEMCHA: Dependent Care.** Prohibits health plan contracts or insurance policies that cover dependent children from establishing a limiting age for coverage of less than 27 years of age. Employers are not required to pay dependents' premium costs after age 23, however a covered employee or annuitant could elect to provide coverage to a dependent who would otherwise be ineligible for coverage by contributing the premium for that coverage

BILL N^o/VERSION: AB 53 A-04/14/2009

AUTHOR: Portantino

POSITION: Oppose, Unless Amended

STATUS: 06/02/2009—2 YEAR BILL

SUMMARY: **State Employees: Executive Salary Freeze.** Prohibits state employees whose base salaries are greater than \$150,000 per year on or after the effective date of the bill from receiving a salary increase while employed in the same position or classification, and from receiving payment for overtime work. The bill would exempt persons whose compensation are governed by an operative memorandum of understanding who have been exempted by executive order of the Governor, or whose salaries are set pursuant to the California Constitution. This prohibition would be in effect until January 1, 2012.

BILL N^o/VERSION: AB 65 A-06/01/2009

AUTHOR: Hayashi

POSITION: Support, if amended

STATUS: 06/22/2009—Senate Appropriations Committee

SUMMARY: **Retired Public Employees Vision Care Program.** Creates the Retired Public Employees Vision Care Program to provide vision care benefits to retired annuitants of contracting public agencies, school districts, and the University of California. CalPERS would administer the program which would be funded entirely by annuitants' premium and would implemented no later than January 1, 2011.

BILL N^o/VERSION:	AB 86 I-01/05/2009
AUTHOR:	Nava
POSITION:	Neutral
STATUS:	06/08/2009—Senate Appropriations Committee
SUMMARY:	Local Safety Member: Airport Police Officers. Allows contracting agencies to include their airport law enforcement officers as local safety members through an optional contract amendment. Also exempts from Social Security.

BILL N^o/VERSION:	AB 125 A-06/01/2009
AUTHOR:	De Leon
POSITION:	Neutral, if amended
STATUS:	06/22/2009—Senate Appropriations Committee
SUMMARY:	California Employee Savings Program (CESP). Establishes the California Employee Savings Program (CESP) to allow any Californian employed by a private or nonprofit employer to participate in an individual retirement plan developed and administered by CalPERS, if the required regulatory approvals are obtained and adequate funding through a state budget appropriation or a nonprofit or private entity is provided.

BILL N^o/VERSION	AB 224 A-06/02/2009
AUTHOR	Portantino
POSITION:	Oppose, unless amended
STATUS:	06/03/2009—Senate Rules Committee
SUMMARY	State Employment: Compensation Freeze. Prohibits state employees whose base salaries are greater than \$150,000 per year on or after the effective date of the bill from receiving a salary increase while employed in the same position or classification, and from receiving a bonus or other compensation in excess of that person's base salary. The bill would exempt persons whose compensation are governed by an operative memorandum of understanding who have been exempted by executive order of the Governor, or whose salaries are set pursuant to the California Constitution. This prohibition would be in effect for 24 months from the date the bill goes into effect.

AB 446 A-05/18/2009

AUTHOR: Niello

POSITION: Neutral

STATUS: 06/04/2009—Senate Rules Committee

SUMMARY: **Additional Retirement Service Credit (ARSC).** Requires CalPERS to submit a copy of the ARSC section of the experience study currently being finalized to the legislature by February 1, 2010. The study provides information on the ARSC program from inception through June 30, 2007. If it cannot be submitted on time, an explanation for the delay and alternate timeline must be submitted.

BILL N°/VERSION: **AB 468 A-06/16/2009**

AUTHOR: Hayashi

POSITION: Neutral

STATUS: 04/02/2009—Senate Appropriations Committee

SUMMARY: **Employer Post-Retirement Health Benefit Contributions: Alameda County Transportation Improvement Authority.** For employees hired on or after November 1, 2004, prohibits the Alameda County Transportation Improvement Authority (ACTIA) from contributing to annuitant's postretirement health benefits for the first five years of credited service. After five years of credited service, requires ACTIA to pay an employer contribution of 50% and increase its contribution by 5% for each year of credited service until the employer contribution reaches 100% of the weighted average of the health benefits plan premiums for employees or annuitants enrolled for self alone.

BILL N^o/VERSION: AB 542 A-06/18/2009

AUTHOR: Feuer

POSITION: Support, if amended

STATUS: 06/18/2009— Senate Health Committee

SUMMARY: **Health Care: Hospital Acquired Conditions.** Requires medical and nursing directors to annually report adverse events and hospital acquired conditions to their hospital governing boards. Contracts between a hospital or licensed surgical clinic and a health care service plan must be consistent with policies of nonpayment for hospital acquired conditions. This bill would require the Department of Managed Health Care (DMHC), in collaboration with the State Department of Public Health, the State Department of Health Care Services, the Managed Risk Medical Insurance Board, the California Public Employees' Retirement System, and the Department of Insurance, to adopt and implement regulations establishing uniform policies and practices governing nonpayment for hospital acquired conditions by state public health programs. These entities would then be required to adopt and implement similar regulations. The bill would prohibit a hospital or licensed surgical clinic from charging for services related to a hospital acquired condition.

BILL N^o/VERSION: AB 704 A-04/13/2009

AUTHOR: Calderon, Charles

POSITION:

STATUS: 06/02/2009— 2 YEAR BILL

SUMMARY: **Public Employees-DROP.** Establishes the Deferred Retirement Option Program (DROP) as a voluntary program in the Public Employees' Retirement System for the excluded or exempt state employees of State Bargaining Units 5, 6, 7, and 8. The program would provide eligible members, upon retirement, access to a lump sum in addition to a monthly retirement allowance. The bill would require that the program result in a cost savings or be cost neutral to the state, direct the Board of Administration of the Public Employees' Retirement System to prepare a cost analysis of the program, as specified, and direct the board to implement the program on July 1, 2010. It would also require periodic ongoing actuarial assessments of the program.

BILL N°/VERSION:	AB 803 A-04/13/2009
AUTHOR:	Duvall
POSITION:	
STATUS:	05/01/2009 – 2 YEAR BILL
SUMMARY:	Health Care Coverage: Cash Payment Option. Would require the state to offer employees the option of a cash payment in lieu of health care coverage. Specifically, if an employee is eligible for coverage, she/he must be offered the option of a cash payment, calculated at 67% of the average dollar value of the benefit the employee could have received.

BILL N°/VERSION:	AB 820 I-02/26/2009
AUTHOR:	Conway
POSITION:	Support
STATUS:	06/08/2009— Senate Appropriations Committee
SUMMARY:	State Annuitants: Legal Services and Vision Care Plans. Allows DPA to charge annuitants an administrative fee for participating in group legal services plans and allows vision care plan providers to bill annuitants directly if the plan premium exceeds the annuitant's premium allowance.

BILL N°/VERSION:	AB 964 A-03/23/2009
AUTHOR:	Assembly PER&SS Committee
POSITION:	
STATUS:	05/04/2009— Assembly Unfinished Business
SUMMARY:	Memoranda of Understanding for State Bargaining Units 1, 3, 4, 11, 15, 17, 20 and 21. Approves provisions of a memoranda of understanding between the State and Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21 that require the expenditure of funds. It also requires that the retirement allowance calculations for CalPERS members in all state bargaining units and excluded and exempt categories shall include earnings, contributions, and compensation earnable that would have been reported to CalPERS had the member not been subject to a mandatory furlough, with the costs that result from the restored service paid by the State.

BILL N^o/VERSION:	AB 1126 I-02/27/2009
AUTHOR:	Hernandez
POSITION:	
STATUS:	06/08/2009—2 YEAR BILL
SUMMARY:	PEMHCA: Balance Billing. Amends PEMHCA so that health-care providers giving emergency services and care cannot seek reimbursement or attempt to obtain payment for any covered services provided to an employee or retiree.

BILL N^o/VERSION:	AB 1144 A-05/04/2009
AUTHOR:	Price
POSITION:	
STATUS:	06/02/2009—2 YEAR BILL
SUMMARY:	Health Care: Pain Care Medication Prescriptions. Requires health care service plans or insurers covering prescription drug benefits to provide a written report annually to the Department of Managed Health Care or to the Department of Insurance that documents whenever it has required an enrollee or an insured to use certain pain medications prior to providing access to a pain medication supported by a federal Food and Drug Administration approved indication or to a pain medication prescribed by the enrollee's or insured's health care provider, as specified.

BILL N^o/VERSION:	AB 1218 I-02/27/2009
AUTHOR:	Jones
POSITION:	
STATUS:	05/01/2009—2 YEAR BILL
SUMMARY:	Health Care Coverage: Rate Regulation. Starting January 1, 2011, this bill requires that HMOs and health insurers would need approval from the Department of Managed Health Care or Department of Insurance for proposed rate increases. Rates requiring approval include premiums, co-payments and deductibles. This bill exempts increases of less than 5% if the health service plan or insurer's medical loss ratio is 90% or higher for the previous three years. The applications of insurers or health care service plans with a medical loss ratio of at least 88%, but deemed less than 90% (with a proposed premium increase of less than 5%) will automatically be deemed approved 60 days after the filing.

BILL N^o/VERSION:	AB 1477 I-02/27/2009
AUTHOR:	Krekorian
POSITION:	Neutral, if amended
STATUS:	06/02/2009—2 YEAR BILL
SUMMARY:	Retired School Member Death Benefit. Current law requires a \$2,000 death benefit be paid to the designated beneficiary of a retired school member, with the additional employer contributions required to fund this benefit be computed as a level percentage of member compensation. This bill would increase that payment to \$6,163 for the designed beneficiary of a retired school member.
BILL N^o/VERSION:	AB 1491 I-02/27/2009
AUTHOR:	V. Manuel Perez
POSITION:	
STATUS:	05/01/2009—2 YEAR BILL
SUMMARY:	Corporate Board Diversity. Existing law requires the Secretary of State to maintain a registry of distinguished women and minorities available to serve on corporate boards of directors, and authorizes the information to be made available to data base access or search services. This bill would allow the release of this information only with the registrant's consent, require the Secretary of State to request recommendations from public pension funds on how to improve the registry's effectiveness on or before 6/1/10, and revise various legislative reporting requirements.
BILL N^o/VERSION:	AB 1584 A-06/18/2009
AUTHOR:	Assembly PER&SS Committee
POSITION:	Support
STATUS:	06/22/2009—Assembly PER&SS Committee
SUMMARY:	Placement Agent Disclosure and Conflicts of Interest. Requires investment placement agent fee disclosure, require disclosure of campaign contributions by placement agents to retirement board members, prohibit retirement board members from selling investments to other public retirement systems, and lengthen post-employment restrictions on influencing retirement board actions for former system executives and board members.

BILL N°/VERSION:	ABX3 13 C-02/20/2009
AUTHOR:	Evans
POSITION:	
STATUS:	02/20/2009—Chaptered by the Secretary of State, Chapter No. 9, Statutes of 2009
SUMMARY:	State or Local Government Funding: Loans to the General Fund. Added 22 special funds to the list of funds where the General Fund can borrow from the available fund balances to assist with General Fund cash-flow needs. The Contingency Reserve Fund (CRF) is included on this list.

BILL N°/VERSION:	AJR 10 A-05/18/2009
AUTHOR:	Torlakson
POSITION:	Support
STATUS:	06/22/2009—Senate PE&R Committee
SUMMARY:	Social Security Offset Repeal. Requests that Congress support and the President sign the Social Security Fairness Act of 2009 that would repeal the Government Pension Offset and the Windfall Elimination Provision from the Social Security Act.

BILL N°/VERSION:	SB 61 A-05/18/2009
AUTHOR:	Senate Budget and Fiscal Review Committee
POSITION:	
STATUS:	05/21/2009—Senate Conference Committee on Budget
SUMMARY:	Budget Act of 2009. Express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2009.

BILL N°/VERSION:	SB 92 A-03/11/2009
AUTHOR:	Aanestad
POSITION:	
STATUS:	05/01/2009—2 YEAR BILL
SUMMARY:	PEMHCA: Healthcare Reform. Requires the CalPERS Board to: offer a high deductible plan and a Health Savings Account option; establish the Public Employees' Health Savings Fund; provide for an electronic personal health record & an electronic personal benefits record for members; and to provide for a Healthy Action Incentives and Rewards Program for members. This bill provides for numerous other health care reforms.

BILL N^o/VERSION:	SB 196 A-04/14/2009
AUTHOR:	Corbett
POSITION:	Support
STATUS:	06/18/2009—Assembly Health Committee
SUMMARY:	Health Care Coverage: Provider Contracts. Prohibits health care providers and health care plans or insurers from entering into a contract, which limits or restricts the plan or insurer from disclosing information on the cost of procedures or health care quality information to its subscribers, enrollees, policyholders, or insureds.

BILL N^o/VERSION:	SB 270 A-05/05/2009
AUTHOR:	Alquist
POSITION:	
STATUS:	06/02/2009—2 YEAR BILL
SUMMARY:	Health Information Technology. This bill establishes the Health Information Technology Advisory Panel to advise the Governor and the Legislature on health information technology implementation.

BILL N^o/VERSION:	SB 341 A-05/14/2009
AUTHOR:	DeSaulnier
POSITION:	
STATUS:	06/02/2009—2 YEAR BILL
SUMMARY:	Drug Safety and Effectiveness Program. Enacts the Drug Safety and Effectiveness Program and requires the Department of Public Health (DPH) to make every effort to enter into a contract or agreement with the University of California (UC) to establish a program to evaluate scientific literature that UC determines is relevant to the safety and effectiveness of prescription drugs in the state. If the DPH and the UC enter into a contract or agreement to establish the program, the program would include specified components, including, among other things, an Internet Web site designed to disseminate information to health care professionals and consumers on the relative safety and effectiveness of those drugs, and a pilot project to provide health care professionals with information and education on the comparative efficacy, safety, and cost-effectiveness of commonly used prescription drugs and on the use of the program's website. The bill specifies that the program must be implemented with federal or private funds and must be implemented only to the extent that the University of California determines that the program is not substantially similar to or has the same objectives as any other federally funded program.

BILL N^o/VERSION:	SB 484 A-05/12/2009
AUTHOR:	Wright
POSITION:	
STATUS:	06/15/2009— Assembly Public Safety Committee
SUMMARY:	Health: Ephedrine and Pseudoephedrine. TRequires products containing ephedrine, pseudoephedrine, and related drugs to be dispensed only with a prescription.
BILL N^o/VERSION:	SB 519 I-02/26/2009
AUTHOR:	Ashburn
POSITION:	Support
STATUS:	06/15/2009— Assembly PER&SS Committee
SUMMARY:	1959 Survivor Benefit. Deletes the provisions requiring that enhanced 1959 survivor benefit levels for state and school employees be eliminated on January 1, 2010. Instead, these benefits would be continued indefinitely.
BILL N^o/VERSION:	SB 628 A-04/22/2009
AUTHOR:	Ashburn
POSITION:	Support
STATUS:	05/01/2009— 2 YEAR BILL
SUMMARY:	PEMHCA: 2-Tiered Health Benefit System. Through collective bargaining a contracting agency could provide a different employer contribution amount for employees first hired on or after the effective date of the memorandum of understanding.
BILL N^o/VERSION:	SB 752 A-05/28/2009
AUTHOR:	Wiggins
POSITION:	Neutral, if amended
STATUS:	06/18/2009— Assembly PER&SS Committee
SUMMARY:	Pension Obligation Bond Procedures for Joint Contracts. Requires a county and superior court that jointly contract with the CalPERS' Board of Administration (board) and wish to issue a pension obligation bond, to 1) provide CalPERS with information that would allow the system to prepare a computation of the pension assets and liabilities of each, and 2) enter into a written agreement that includes the court's repayment schedule to the county subsequent to the issuance of the pension obligation bond.

BILL N^o/VERSION:	SB 810 A-04/23/2009
AUTHOR:	Leno
POSITION:	
STATUS:	06/02/2009—2 YEAR BILL
SUMMARY:	Universal Coverage: Single-Payer System. Makes all California residents eligible for specified health care benefits under the newly created California Healthcare System, which would, on a single-payer basis, negotiate for or set fees for health care services provided through the system and pay claims for those services. Prohibits the issuance of health plan contracts for services covered by the system. Creates the California Healthcare Premium Commission (the Commission) to determine the cost of the California Healthcare System and develop a premium structure. Requires the Commission to recommend a premium structure to the Governor and Legislator on or before January 1, 2011, and to make a draft recommendation to the Governor, the legislature and the public 90 days before submitting its final premium structure recommendation. Requires that the system be operative within two years of the Secretary of Health and Human Services notifying the legislature that sufficient funds exist.

BILL N^o/VERSION:	SBX3 8 C-02/20/2009
AUTHOR:	Ducheny
POSITION:	
STATUS:	02/20/2009—Chaptered by the Secretary of State, Chapter No. 4, Statutes of 2009
SUMMARY:	2009-2010 Budget Act. Section 31 of this bill would defer payments of employer contributions toward retiree health and dental plans payable in the months of February and March. These deferred payments would instead be payable in April.
