



California Public Employees' Retirement System
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Via Email

July 28, 2014

The Honorable Barbara Mikulski, Chairwoman
The Honorable Richard Shelby, Ranking Member
U.S. Senate Committee on Appropriations
S-128 Capitol Building
Washington, DC 20510

RE: Fiscal Year 2015 Financial Services and General Government Appropriations Act

Dear Chairwoman Mikulski and Ranking Member Shelby:

On behalf of the California Public Employees' Retirement System (CalPERS), I write to express strong support for approving the FY2015 Financial Services and General Government Appropriations Act ("Act") as recommended by the Subcommittee on Financial Services and General Government ("Subcommittee").

As the largest public pension fund in the United States with approximately \$300 billion in global assets, CalPERS provides retirement and health benefits to more than 1.6 million public workers, retirees, their families, and beneficiaries. To accomplish this mission, CalPERS relies on effective and comprehensive regulation designed to protect investors and ensure the efficiency and integrity of financial markets.

As drafted in the House, H.R. 5016 provides a lower level of SEC funding than this Act and contains policy riders that concern CalPERS, including:

- A provision requiring the Consumer Financial Protection Bureau (CFPB) to be subject to the annual appropriation process. We believe the amendment would weaken the CFPB's independence and undermine its ability to consistently provide essential consumer protections.
- A provision restricting the SEC's ability to issue a rule requiring the disclosure of corporate political spending by issuers. In 2011, CalPERS updated its Global Principles of Accountable Corporate Governance to call upon public companies to disclose their charitable and corporate expenditures. Enhanced disclosure of these expenditures allows shareowners to assess whether such spending is consistent with their interests. By explicitly restricting the SEC from issuing a rule requiring disclosure, the amendment unnecessarily limits the SEC's discretion relative to appropriate shareholder information.
- A provision preventing the IRS from implementing the "individual mandate" provision of the Affordable Care Act. CalPERS was a staunch supporter of health care reform and continues to support its effective implementation. The requirement that all individuals

purchase or otherwise be covered by health insurance is one of the foundational pillars of the law.

Additionally, CalPERS strongly supports the funding levels appropriated to critical financial market regulators in the Subcommittee's version of the bill, which we believe helps these agencies maintain their independence. We believe the proposed appropriations for the Commodity Futures Trading Commission (CFTC), Securities and Exchange Commission (SEC) and Internal Revenue Service (IRS) reflect the enhanced responsibility of these agencies, particularly with regard to implementing the Dodd-Frank Wall Street Consumer Protection Act (SEC & CFTC) and the Affordable Care Act (IRS). CalPERS strongly supported the enactment of these historic reform laws and continues to work with regulators to help ensure their effective implementation.

For these reasons, we urge the U.S. Senate Committee on Appropriations to approve the Act as recommended by the Subcommittee.

Thank you for your consideration. If you have any questions, please do not hesitate to contact me at (916) 795-3818 (anne.stausboll@calpers.ca.gov). Your staff may also contact Don Marlais of Lussier, Gregor, Vienna & Associates - our federal representatives - at (703) 888-4522 (dmarlais@lgva.net).

Sincerely,

A handwritten signature in dark ink that reads "Anne Stausboll". The signature is written in a cursive, flowing style.

ANNE STAUSBOLL
Chief Executive Officer

Cc: Senator Dianne Feinstein
Senator Barbara Boxer
Members of California Congressional Delegation
CalPERS Board of Administration