

***LEGISLATIVE HIGHLIGHTS***  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**BOARD OF ADMINISTRATION**  
**June 13, 2012**

**Bill Number/Author**

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No significant changes to report.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
2012 Legislative Year  
Legislative Program Update**

**Status as of June 1, 2012**

**A – CalPERS-Sponsored Bills**

**Bill Number/Author**

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**AB 2142 (Furutani)** Amended: 05/31/2012

**Board Position: Sponsor**

**CalPERS Wellness and Risk Adjustment Programs.** This bill authorizes CalPERS to implement risk adjustment procedures that adjust and redistribute payments across its health plans based on rules and regulations established by the CalPERS Board of Administration (Board). It also allows the Board to adjust premiums as part of health promotion and disease management programs.

*Location: 5/31/2012-Senate Public Employment and Retirement Committee*

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**SB 987 (Negrete McLeod)** Amended: 3/29/2012

**Board Position: Sponsor**

**CalPERS 2012 Omnibus Bill.** Would make minor policy and technical changes to the Public Employees' Retirement Law (PERL).

*Location: Scheduled for hearing on 6/20/2012 by the Assembly Public Employees, Retirement and Social Security Committee.*

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**PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
2012 Legislative Year**

**Status as of June 1, 2012**

**B – Other Bills**

**Bill Number/Author**

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**AB 52 (Feuer)** Amended: 6/1/2011

**Board Position: Oppose, Unless Amended**

**Health Care Coverage: Rate Approval.** Provides the Department of Managed Health Care (DMHC) and the Department of Insurance (CDI) with regulatory authority to approve, deny or modify excessive rate changes requests by health plans and insurers. It requires plans and insurers to submit explanatory information, allows the departments to hold public hearings and receive public comment on proposed rate changes. The bill also prohibits insurers from implementing rate changes on any product more than once a year.

*Location: 9/1/2011-Senate Inactive File*

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**AB 154 (Beall)** Amended: 1/23/2012

**Health Care Coverage: Mental Health Services.** Would expand coverage for certain health plans and health insurance policies which are issued, amended, or renewed on or after January 1, 2013, to include the diagnosis and treatment of mental illness as defined in the "Diagnostic and Statistical Manual of Mental Disorders IV" (including substance abuse but excluding nicotine dependence and other specified diagnoses). This requirement would not apply to CalPERS health plans, contracts, or health insurance policies unless the Board elects to purchase a plan/contract/policy providing mental health coverage.

*Location: 2/16/2012-Senate Health Committee*

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**AB 171 (Beall)** Amended: 1/23/2012

**Health Care Coverage: Pervasive Developmental Disorder or Autism.** Requires health care service plan contracts and health insurance policies to provide coverage for the screening, diagnosis, and treatment, other than behavioral health treatment, of pervasive developmental disorder or autism.

*Location: 2/16/2012-Senate Health Committee*

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**AB 340 (Furutani)** Amended: 9/7/2011

**Public Employees' Retirement.** States legislative intent to convene a Conference Committee to craft responsible, comprehensive legislation to reform State and local pension systems in a manner that reflects both the legitimate needs of public employees and the fiscal circumstances of State and local governments.

*Location: 10/13/2011-Conference Committee*

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\*Did not meet the legislative calendar deadline for passage from policy or fiscal committee; would require rule waivers to be given further consideration in the current year.

**Bill Number/Author**

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**AB 344 (Furutani)** Amended: 4/25/2011

**Board Position: Support**

**Final Compensation and Post Retirement Employment.** Would prohibit exceptions for State, local and school members not in a group or class that allows recognition of increases in compensation earnable beyond increases reported for all employees in the same membership classification and also prohibits a retired annuitant from serving on a temporary or emergency basis without reinstatement beyond the 960 hour per year limit.

*Location: 9/9/2011-Senate Inactive File*

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**AB 369 (Huffman)** Amended: 5/21/2012

**Health Care Coverage: Prescription Drugs.** Would impose specified requirements on health care service plans or health insurers that restrict medications for the treatment of pain pursuant to step therapy or fail first protocol. The bill would authorize the duration of any step therapy or fail first protocol to be determined by the prescribing provider and would prohibit a health care service plan or health insurer from requiring that a patient try and fail on more than two pain medications before allowing the patient access to other pain medication prescribed by the prescribing provider, as specified.

*Location: 5/21/2012-Senate Health Committee*

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**AB 666 (Jeffries)** Amended: 5/9/2012

**Pension Ban for Specified Local Elected Officials.** Except as required or permitted by the California Constitution, this bill would prohibit a person publicly elected to a local public office of any kind that is less than full time, as defined, a person who is appointed to fill such an office, or who is elected as a city councilmember or a member of a county board of supervisors, on or after January 1, 2013, from becoming a member of a public retirement system by virtue of that service or acquiring any retirement right or benefit for serving in that elective office. This prohibition would not apply to the positions of sheriff, district attorney, clerk, assessor, or treasurer, or any person who obtained retirement system membership by virtue of holding elected local office prior to January 1, 2013, and remains in that office or is reelected to it.

*Location: 5/24/2012-Senate Public Employment and Retirement Committee*

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**AB 1184 (Gatto)** Amended: 8/22/2011

**Board Position: Neutral**

**Contracting Agency Liability for Excessive Compensation and Closure of the Replacement Benefits Plan for New Employees.** Requires CalPERS to develop guidelines and implement program changes to ensure that a contracting agency that creates a significant increase in actuarial liability for another contracting agency or agencies due to increased compensation it has paid to a nonrepresented employee will bear the associated liability, regardless of when the increase in compensation occurred. It also expresses legislative intent in this regard and requires CalPERS to report to the Legislature on its implementation efforts. In addition, the bill prohibits the CalPERS Board from administering an Internal Revenue Code Section 415 Replacement Benefits Plan for a person who first becomes a CalPERS member on or after January 1, 2013.

*Location: 9/9/2011-Assembly Inactive File*

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\*Did not meet the legislative calendar deadline for passage from policy or fiscal committee; would require rule waivers to be given further consideration in the current year.

**Bill Number/Author**

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**AB 1255 (V. Manuel Pérez)** Amended: 4/26/2011

**Board Position: Support**

**Investments: Corporate Board Candidate Registry Information.** Requires the Secretary of State to post, on the next regular Internet website update after January 1, 2012, a link to the Internet Web pages of the California Public Employees' Retirement System, the California State Teachers' Retirement System, or both, that provide information on registries of potential qualified corporate board candidates.

*Location: 8/26/2011-Senate Rules Committee*

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**AB 1320 (Allen)** Amended: 9/2/2011

**Board Position: Oppose, Unless Amended**

**Employer Rate Stabilization Accounts.** Establishes the Employer Rate Stabilization Fund administered by the CalPERS Board of Administration, effective July 1, 2013, for the purpose of receiving employer payments made to stabilize State and contracting agency employer retirement contributions.

*Location: 5/31/2012-Ordered to the Senate.*

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**AB 1463 (Blumenfield)** Introduced: 1/10/2012

**2012-13 Budget Act.** Makes appropriations for support of State government for the 2012-13 fiscal year. As a budget bill, it would take effect immediately.

*Location: 3/12/2012-Assembly Budget Committee*

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**AB 1633 (Wagner)** Introduced: 2/9/2012

**Retirement Benefit Limits for New Public Employees.** Would prohibit public employees first hired on or after January 1, 2013, from receiving benefits from a public retirement system in excess of \$100,000 annually, if the benefits are not coordinated with Social Security, or from receiving benefits in excess of \$80,000 annually, if they are coordinated with Social Security. These amounts would be adjusted annually based on the Consumer Price Index.

*Location: 5/25/2012-A. DEAD – Subject matter referred to interim study.*

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**AB 1639 (Hill)** Introduced: 2/13/2012

**Retirement: Employer Contribution Limits.** Among other things, would require all public retirement systems in California to adhere to the federal compensation limit under Internal Revenue Code, Section 401(a)(17) when calculating retirement benefits for members who first join the retirement system on or after January 1, 2013. It would also prohibit a public employer from making contributions to any qualified public retirement plan based on any portion of compensation that exceeds that limit.

*Location: 5/25/2012-A. DEAD – Subject matter referred to interim study.*

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**Bill Number/Author**

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**\*AB 1641 (Lowenthal, Bonnie)** Introduced: 2/13/2012

**Health Care Coverage: Durable Medical Equipment.** Would require health care service plan contracts and health insurance policies to provide coverage for durable medical equipment.

*Location: 4/27/2012-A. DEAD*

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**AB 1649 (Smyth)** Amended: 3/29/2012

**Benefit Forfeiture: Public Employees.** Requires current and future public employees and officials convicted of specified violent and serious felonies relating to their employment to forfeit all rights and benefits in a public retirement system from the earliest date of the commission of the crime, with the member contributions returned, without interest.

*Location: 5/25/2012-A. DEAD – Subject matter referred to interim study.*

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**AB 1653 (Cook)** Amended: 4/9/2012

**Benefit Forfeiture: At-Will Employees.** Requires any at-will employee of an elected public officer who is convicted of any felony involving public money, extortion or theft of public money, perjury, or conspiracy to commit any of those crimes arising directly out of his or her official duties, to forfeit all rights and benefits under, and membership in, any public retirement system in which he or she is a member, effective on the date of final conviction. This would apply to any at-will employee providing services to an elected public officer who takes public office, or is reelected to public office, on or after January 1, 2013.

*Location: 5/25/2012-A. DEAD – Subject matter referred to interim study.*

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**\*AB 1738 (Huffman)** Introduced: 2/16/2012

**Health Care Coverage: Tobacco Cessation.** Requires health plan contracts and health insurance policies issued, amended, renewed, or delivered on or after January 1, 2013, to provide coverage for two courses of treatment in a 12-month period for tobacco cessation preventive services rated “A” or “B” by the U.S. Preventive Services Task Force, and prohibits health plans and insurers from charging a copayment, coinsurance, or deductible for those services. It also prohibits health plans and insurers from requiring enrollees or insureds to enter counseling in order to receive tobacco cessation medications, or from imposing prior authorization or stepped-care requirements for tobacco cessation treatment.

*Location: 4/27/2012-A. DEAD*

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**Bill Number/Author**

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**\*AB 1742 (Pan)** Amended: 3/19/2012

**Health Care Coverage: Payment of Benefits.** Would require group or individual health care service plans, except specialized health care service plans, as defined, to permit an enrollee's assignment of benefits for services rendered by a provider to be paid directly to the provider. It would also require the provider to supply a plan with specified information in order to receive reimbursement.

*Location: 4/27/2012-A. DEAD*

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**\*AB 1787 (Portantino)** Amended: 3/21/2012

**State Employment Salary Freeze.** Prohibits State employees whose annual base salary is over \$100,000 and whose terms and conditions of employment are not subject to collective bargaining from receiving a salary increase or a bonus until January 1, 2015, if they remain in their current positions or job classifications. It also requires a sum equal to the savings realized from the freeze to be credited annually to the General Fund and, upon appropriation by the Legislature, used to administer the AIDS Drug Assistance Program (ADAP) administered by the State Department of Public Health. Its provisions would not apply to those State Officials whose salaries are set pursuant to the California Constitution.

*Location: 4/27/2012-A. DEAD*

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**AB 1819 (Ammiano)** Amended: 5/2/2012

**Charter School Participation in CalPERS.** Requires charter schools to provide retirement benefits to its eligible employees under the California Public Employees' Retirement System (CalPERS) or the California State Teachers' Retirement System (CalSTRS).

*Location: 5/29/2012-Senate Rules Committee.*

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**\*AB 1861 (Olsen)** Amended: 4/10/2012

**Benefit Forfeiture: Teachers and School Employees.** Establishes a felony crime for a teacher or employee of a K-12 public or private school to engage in a sexual relationship or inappropriate communication with a student of any age attending that school. It also requires any current or future teacher or employee of a K-12 public school convicted of that crime to forfeit all rights and benefits under, and membership in, any public retirement system in which he or she is a member, effective on the date of conviction, and that all member contributions be returned without interest.

*Location: 4/27/2012-A. DEAD*

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**Bill Number/Author**

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**AB 1874 (Mansoor)** Amended: 4/30/2012

**Closure of the Legislators' Retirement System to New Members.** Prohibits a legislative statutory officer, the Insurance Commissioner or other elective officer of the State elected by the voters or appointed by the Governor that is first elected or appointed to office on or after January 1, 2013, from becoming a member of the Legislators' Retirement System (LRS). It would instead require all legislative statutory officers first elected on or after January 1, 2013 to become optional CalPERS members. It would also exclude the Insurance Commissioner and other elective officers of the State from CalPERS membership

*Location: 5/25/2012-A. DEAD – Subject matter referred to interim study.*

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**AB 2053 (Allen)** Introduced: 2/23/2012

**Postemployment Health Benefits: San Francisco Bay Area Rapid Transit District.** Would authorize the San Francisco Bay Area Rapid Transit District to make contributions for postretirement health benefits for all members of its governing body, its unrepresented employees, and for any unit of employees whose terms and conditions of employment are determined through collective bargaining, that are first hired on or after July 1, 2013, or a date specified in a bargaining agreement. It would authorize a partial employer contribution for those new employees that perform at least 10 years of credited service with the District, require a full employer contribution for those employees that perform 15 years of service, and authorize employer contributions for employees that retire for disability with lesser years of service. It would also prohibit different eligibility criteria for represented and non-represented employees.

*Location: Scheduled for hearing on 6/11/2012 by the Senate Public Employment and Retirement Committee*

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**AB 2140 (Lara)** Introduced: 2/23/2012

**State Bargaining Unit 5 Retirement Contribution Rates.** Would reduce CalPERS member contribution rates by three percent for State miscellaneous and industrial members of State Bargaining Unit 5.

*Location: 5/29/2012-Senate Rules Committee*

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**Bill Number/Author**

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**AB 2224 (Smyth)** Introduced: 2/24/2012

**Pension Reform.** Makes various statutory changes necessary to require all State and local government employers to offer public employees first hired on or after July 1, 2013, a hybrid pension plan that provides a combined defined benefit (DB) and defined contribution (DC) retirement benefit, or a specified alternative pension plan option. It also establishes a minimum normal retirement age for safety employees of 57 years old with 30 years of service, and an early retirement age of 52, and for all other employees, establishes a minimum normal retirement age of 67 years old with 35 years of service, and an early retirement age of 57. In addition, the bill prohibits additional retirement service credit purchases, prohibits retroactive pension benefit increases, imposes specified cost sharing requirements on both employees and employers, requires annual normal costs to be paid in each fiscal year, prohibits employers from paying any portion of required employee contributions, imposes benefit forfeiture for job-related felony convictions, imposes limitations on the employment of retired annuitants, increases the retiree health benefit vesting period for State employees, requires State retirees to pay a specified portion of retiree health benefits, and adds two members to the CalPERS Board of Administration. These statutory changes would become operative January 1, 2013, only if a companion constitutional amendment is approved by voters statewide on the November 2012 General Election ballot.

*Location: 4/26/2012-Assembly Rules Committee*

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**\*AB 2416 (Mansoor)** Introduced: 2/24/2012

**Public Retirement Systems Reserve Accounts.** Requires any public retirement system that does not maintain a reserve fund to create such a fund, and deposit any excess funds, after payment of unfunded liabilities each fiscal year, in the reserve fund to be used against deficiencies in other fiscal years. It would also prohibit funds in the reserve fund from being used for the payment of benefits.

*Location: 5/11/2012-A. DEAD*

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**\*AB 2428 (Hagman)** Introduced: 2/24/2012

**CalPERS Membership Ban for Local Elected Officials.** Would prohibit a person elected to a local office of any kind, or a person who is appointed to fill an elected local office, on or after January 1, 2013, from becoming a member of the California Public Employees' Retirement System or acquiring any retirement right or benefit under the System for serving in that office. This prohibition would not apply to an elected local official who held office prior to January 1, 2013, and remains in, or is reelected to that office.

*Location: 4/27/2012-A. DEAD*

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**Bill Number/Author**

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**AB 2429 (Hagman)** Introduced: 2/24/2012

**Pension and Benefits Ban for Part-time Local Elected Officials.** Except as required or permitted by the California Constitution, this bill would prohibit a person appointed or publicly elected to a local public office of any kind that is less than full time, as defined, on or after January 1, 2013, from becoming a member of any public retirement system by virtue of that service, from acquiring any retirement right or benefit, or from receiving health benefits or other specified benefits for serving in that elective office. This prohibition would not apply to a local official who held office prior to January 1, 2013, and remains in, or is reappointed or reelected to that office.

*Location: 5/25/2012-A. DEAD – Subject matter referred to interim study.*

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**\*AB 2437 (Jeffries)** Amended: 4/23/2012

**Pension Ban for Specified Local Elected Officials.** Except as required or permitted by the California Constitution, this bill would prohibit a person publicly elected to a local public office of any kind that is less than full time, as defined, a person who is appointed to fill such an office, or who is elected as a city councilmember or a member of a county board of supervisors, on or after January 1, 2013, from becoming a member of a public retirement system by virtue of that service or acquiring any retirement right or benefit for serving in that elective office. This prohibition would not apply to the positions of sheriff, district attorney, clerk, assessor, or treasurer, or any person who obtained retirement system membership by virtue of holding elected local office prior to January 1, 2013, and remains in that office or is reelected to it.

*Location: 4/27/2012-A. DEAD*

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**\*AB 2606 (Mendoza)** Amended: 4/17/2012

**School Member Post-Retirement Death Benefits.** Current law requires a \$2,000 death benefit be paid to the designated beneficiary of a retired school member, and allows school employers to elect to provide a higher benefit of \$3,000, \$4,000 or \$5,000, with the additional employer contributions required to fund the benefit computed as a level percentage of member compensation. This bill would eliminate these contract options and raise the required benefit to \$4,000 for a school member deaths occurring during 2013, and increase the benefit each year by \$500 until it reaches \$6,000, whereupon it would be adjusted annually in the same manner as retiree COLA payments. It would also allow school employers the ability to contract to pay a \$5,000 benefit until the mandatory benefit level reaches that amount.

*Location: 5/25/2012-A. DEAD*

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**Bill Number/Author**

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**ACA 22 (Smyth)** Introduced: 2/22/2012

**Pension Reform.** This measure would amend the State Constitution, upon voter approval, to require all State and local government employers to offer public employees first hired on or after July 1, 2013, a hybrid pension plan that provides a combined defined benefit (DB) and defined contribution (DC) retirement benefit, or a specified alternative pension plan option. It also establishes a minimum normal retirement age for safety employees of 57 years old with 30 years of service, and an early retirement age of 52, and for all other employees, establishes a minimum normal retirement age of 67 years old with 35 years of service, and an early retirement age of 57. In addition, the bill prohibits additional retirement service credit purchases, prohibits retroactive pension benefit increases, imposes specified cost sharing requirements on both employees and employers, requires annual normal costs to be paid in each fiscal year, prohibits employers from paying any portion of required employee contributions, imposes benefit forfeiture for job-related felony convictions, imposes limitations on the employment of retired annuitants, increases the retiree health benefit vesting period for State employees, requires State retirees to pay a specified portion of retiree health benefits, and adds two members to the CalPERS Board of Administration.

*Location: 2/22/2012-A. PRINT*

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**ACA 26 (Smyth)** Introduced: 3/6/2012

**Public Pension: Felony Forfeiture.** Amends the State Constitution to require a public employee or official to forfeit retirement benefits if he or she is convicted of specified violent and serious felonies related to his or her public employment. The measure applies to current and future public employees, and requires forfeiture of benefits from the earliest date of the commission of the felony for which the employee is convicted. Also, the measure must be approved by voters on a statewide ballot.

*Location: 3/6/2012-A. PRINT*

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**SB 27 (Simitian)** Amended: 8/15/2011

**Board Position: Support, with Suggested Amendments**

**Pension Spiking and Return to Work Limits.** Among other things, would provide, effective July 1, 2012, that any change in salary, compensation, or remuneration principally for the purpose of enhancing the benefits of a CalPERS or CalSTRS member would not be included in the calculation of the member's final compensation for purposes of determining their defined benefit. It would also prohibit any CalPERS or CalSTRS member that retires on or after January 1, 2013, from performing services for any employer covered by their retirement system until the member has been separated from service for at least 180 days.

*Location: 8/26/2011-Assembly Appropriations Committee; suspense file.*

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**Bill Number/Author**

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**SB 46 (Correa)** Amended: 6/2/2011

**Compensation Disclosure for Public Officials.** Would require State and local public officials, except for candidates for public office, to file annual compensation disclosure forms when filing their required Form 700 Statement of Economic Interests, detailing all forms of compensation and benefits received from their employing government agency, and require that agency to post the information on its Internet website, beginning January 1, 2013. It would also require the State Controller's Office (SCO) to adopt emergency regulations for the implementation of these requirements by March 1, 2013, including format of the compensation disclosure form, as specified, and to recommend methods for compiling the compensation information on publicly accessible databases to the Governor and Legislature by July 1, 2013. The provisions of the bill would sunset on January 1, 2019. This bill would take effect immediately as an urgency statute.

*Location: 8/22/2011-In Assembly. Held at Desk.*

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**SB 252 (Vargas)** Amended: 5/9/2012

**As of the May 9, 2012 amendment, this bill no longer affects CalPERS. The amended bill would allow the State Employee Peace Officers to petition the Public Employee Relations Board to form a new bargaining unit.**

**Government Oversight and Fiscal Accountability Review Act.** Among other things, requires any State agency or department that enters into an agreement or combination or series of agreements for a private contractor to provide services with a value of \$500,000 or more, that are substantially similar to services provided by civil service employees of the agency, to report annually to the Department of General Services regarding those contracts, who would then compile, publish, and make these reports available to the public. The bill also specifies that any subcontract executed under a privatization contract is a public record subject to reporting and inspection pursuant to the Public Records Act. In addition, State agencies and departments would be required to provide specified information relating to their use of privatization contractors as part of their annual budget requests.

*Location: 5/25/2012-Assembly Public Employees, Retirement and Social Security Committee*

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**SB 770 (Steinberg)** Amended: 8/31/2011

**Health Care Coverage: Developmental Disorder and Autism.** Would require health care service plan contracts and health insurance policies to provide coverage for behavioral health treatment, as defined, for pervasive developmental disorder (PDD) or autism. However, no benefits are required to be provided that exceed the essential health benefits (EHB) required under the federal Patient Protection and Affordable Care Act (PPACA).

*Location: 8/31/2011-Assembly Appropriations Committee*

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**Bill Number/Author**

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**SB 827 (Simitian)** Amended: 9/7/2011

**Public Employees' Retirement.** States legislative intent to convene a Conference Committee to craft responsible, comprehensive legislation to reform State and local pension systems in a manner that reflects both the legitimate needs of public employees and the fiscal circumstances of State and local governments.

*Location: 10/13/2011-Conference Committee*

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**SB 903 (Anderson)** Amended: 7/1/2011

**Board Position: Oppose**

**Fiduciary Determinations for Iran Divestment.** Existing law allows the CalPERS Board of Administration to suspend action as described in the California Public Divest from Iran Act (Act) if it determines such action would be inconsistent with its fiduciary duties as described in the California Constitution. This bill replaces that authorization with the requirement that the Board determine in a properly noticed public meeting that a specific action described in the Act would be a breach of its fiduciary responsibilities in order to suspend action. This bill cannot become effective unless AB 1151 (2011) is also enacted on or before January 1, 2012.

*Location: 8/26/2011-Assembly Appropriations Committee; suspense file.*

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**SB 955 (Pavley)** Amended: 5/25/2012

**Public Retirement Systems: In-State Infrastructure Projects.** Expresses Legislative intent that public retirement boards with specifically targeted infrastructure investment policies prioritize investments in projects located in California. It also would authorize California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS) prioritize investment in an in-state infrastructure project over a comparable out-of-state project.

*Location: Scheduled for hearing on 6/20/2012 by the Assembly Public Employees, Retirement and Social Security Committee.*

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**SB 957 (Leno)** Introduced: 1/10/2012

**2012-13 Budget Act.** Makes appropriations for support of State government for the 2012-13 fiscal year. As a budget bill, it would take effect immediately.

*Location: 1/10/2012-Senate Budget and Fiscal Review Committee*

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**\*SB 1057 (Huff)** Amended: 3/22/2012

**Benefit Forfeiture: School Employees.** Requires an employee of a school district, county office of education, or charter school to forfeit his or her retirement benefits if convicted of any State or federal felony crime related to his or her employment. The bill requires current and future employees to forfeit all rights and benefits in any public retirement system from the earliest date of the commission of the crime, with the member contributions returned, without interest.

*Location: 4/27/2012-S. DEAD*

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\*Did not meet the legislative calendar deadline for passage from policy or fiscal committee; would require rule waivers to be given further consideration in the current year.

**Bill Number/Author**

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**\*SB 1141 (Walters)** Introduced: 2/21/2012

**Post-Employment Health Care Benefits: Collective Bargaining.** Prohibits public employers from entering into a memorandum of understanding or other collective bargaining agreement that provides for defined post-employment health care benefits unless each employee first hired on or after January 1, 2013, pays at least 50 percent of the actuarially required contributions necessary to prefund those defined health benefits.

*Location: 4/27/2012-S. DEAD*

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**\*SB 1142 (Walters)** Amended: 4/9/2012

**Post-Employment Health Care Benefits: Full Funding.** Prohibits all State and local public employers, except the University of California, from providing retiree health benefits to employees first hired on or after January 1, 2012, unless it prefunds those benefits as determined by an actuary. It also requires these employers to prefund retiree health benefits for all current and future employees in accordance with Government Accounting Standards and amortizing unfunded liabilities over periods that do not exceed the remaining service lives of current employees, with a five-year phase-in.

*Location: 4/27/2012-S. DEAD*

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**\*SB 1143 (Walters)** Amended: 4/9/2012

**Post-Employment Benefit Modification.** Requires public employers to reserve the right to modify retirement and other postemployment benefits provided to employees first hired on or after January 1, 2013, and without providing any comparable benefit in return. It also allows public employers to change benefit formulas, employee contribution rates and vesting for these employees, except as prohibited by federal law. The bill specifies these employees have no implied right to future postemployment benefits, and that accrued benefits earned for prior service may be reduced without written consent if authorized by law.

*Location: 4/27/2012-S. DEAD*

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**Bill Number/Author**

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**\*SB 1176 (Huff)** Introduced: 2/22/2012

**Pension Reform.** Makes various statutory changes necessary to require all State and local employers to offer public employees first hired on or after July 1, 2013, a hybrid pension plan that provides a combined defined benefit (DB) and defined contribution (DC) retirement benefit, or a specified alternative pension plan option. It also establishes a minimum normal retirement age for safety employees of 57 years old with 30 years of service, and an early retirement age of 52, and for all other employees, establishes a minimum normal retirement age of 67 years old with 35 years of service, and an early retirement age of 57. In addition, the bill prohibits additional retirement service credit purchases, prohibits retroactive pension benefit increases, imposes specified cost sharing requirements on both employees and employers, requires annual normal costs to be paid in each fiscal year, prohibits employers from paying any portion of required employee contributions, imposes benefit forfeiture for job related felony convictions, imposes limitations on the employment of retired annuitants, increases the retiree health benefit vesting period for State employees, requires State retirees to pay a specified portion of retiree health benefits, and adds two members to the CalPERS Board of Administration. These statutory changes would become operative January 1, 2013, only if a companion constitutional amendment is approved by voters statewide on the November 2012 General Election ballot.

*Location: 4/27/2012-S. DEAD*

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**SB 1195 (Price)** Amended: 5/1/2012

**Pharmacy Benefit Audit Procedures.** Requires a contract between a pharmacy and an insurer, health plan, or pharmacy benefit manager for the provision of pharmacy services to health plan participants that is issued, amended, or renewed on or after January 1, 2013, to include specified policies and procedures related to audits conducted under the contract. It would also prohibit specified methods of cost recovery and limit disclosure of audit results.

*Location: 5/31/2012-In Assembly. Read first time. Held at Desk.*

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**SB 1196 (Hernandez)** Amended: 4/10/2012

**Board Position: Support**

**Health Care Coverage: Transparency.** Would prohibit any health plan contract in existence or issued, amended, or renewed on or after January 1, 2013, between a health plan or insurer and a provider, including a provider of supplies, from prohibiting, conditioning, or in any way restricting the disclosure of claims data related to health care services provided to enrollees, insureds, or beneficiaries of any self-funded health coverage arrangement to a Centers for Medicare and Medicaid Services qualified entity.

*Location: Scheduled for hearing on 6/12/2012 by the Assembly Health Committee.*

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**Bill Number/Author**

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**SB 1234 (De León)** Amended: 5/29/2012

**California Secure Choice Retirement Savings Trust Act.** Contingent on the availability of sufficient funds, establishes a retirement plan for California's private sector workers that do not have access to a retirement plan through their employer, to be administered by a seven member Board chaired by the State Treasurer and operating under the auspices of the Treasurer's Office. It would require employers with five or more employees that do not offer an employer-sponsored payroll deposit retirement plan, and authorize all other employers, to enroll their eligible employees, as defined, into the California Secure Choice Retirement Savings Trust (CSCRST). The bill would also require the Employment Development Department (EDD) to create an opt-out and default contribution adjustment process for participating employees, and authorizes EDD to assess a penalty on employers that fail to comply. Finally, it would authorize, but not require, the Treasurer, CalPERS Board of Administration, and private sector investment managers to invest CSCRST funds.

*Location: 5/30/2012-In Assembly. Read first time. Held at Desk.*

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**SB 1285 (Hernandez)** Amended: 5/9/2012

**Hospital Emergency Services and Care.** Would require hospitals with an out-of-network emergency utilization rate of greater than 50 percent to adjust charges for out-of-network emergency care so that the expected reimbursement does not exceed the greater of the amount the hospital could reasonably expect Medicare to pay for the care, or a good faith and reasonable estimate of the actual cost of providing necessary pre-stabilization care.

*Location: Scheduled for hearing on 6/12/2012 by the Assembly Health Committee.*

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**SB 1294 (Berryhill)** Amended: 4/23/2012

**Board Position: Neutral, with Suggested Amendments**

**Mariposa County: Employer Contribution for Retiree Health Benefits.** The PEMHCA requires contracting agencies to provide a minimum employer contribution for employee and retiree health benefits, and requires these contributions to be equal, unless the employer elects a statutory schedule that allows its contributions to retiree health benefits to gradually increase until they ultimately equal the contributions made for active employees. This bill would allow Mariposa County to provide a higher employer contribution for its retirees than for its active employees, and require it be executed through a memorandum of understanding (MOU), which is agreed upon through collective bargaining, or by a resolution adopted by a majority of the county's Board of Supervisors. Its provisions would not apply to annuitants that retire before enactment of the bill, or to annuitants that retire before the effective date of the MOU or the date a resolution is adopted or MOU is signed.

*Location: 5/25/2012-Assembly Public Employees, Retirement and Social Security Committee.*

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**Bill Number/Author**

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**SB 1308 (Senate P.E. & R. Committee)** Introduced: 2/23/2012

**State Department of Human Resources.** Would make the statutory changes necessary to transfer the duties and functions of the Department of Personnel Administration and State Personnel Board to the newly established State Department of Human Resources.

*Location: 4/12/2012-A. DESK*

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**SB 1321 (Harman)** Amended: 05/30/2012

**Essential Health Benefits.** Would require the California Health Benefit Exchange board to report to the Legislature regarding the impact on the Exchange of provisions of the federal Patient Protection and Affordable Care Act (PPACA) that are amended, invalidated, or repealed, and its plans on how the Exchange will operate in the absence of those PPACA provisions. It would also require the Exchange board to halt all work related to implementing the Exchange, and prohibit state moneys from being used to fund any Exchange operations or related functions, or to replace or supplant federal funds, if the Exchange board fails to provide its report within 90 days of the PPACA being amended, invalidated, or repealed.

*Location: 05/30/2012-Senate Health Committee*

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**\*SB 1368 (Anderson)** Amended: 4/19/2012

**State Officer and Employee Salary Limit.** Except for elected State officers whose salary is set by the Citizens Compensation Commission, this bill prohibits the annual salary of a State officer or employee, on or after January 1, 2013, from exceeding the annual salary of the Governor as established by the Commission. Its provisions would not be effective for State officers or employees subject to a memorandum of understanding (MOU) or employment contract in place prior to January 1, 2013, until that MOU or contract has expired. This bill does not apply to specified exempt public safety officers under certain conditions, and would allow the Governor to suspend the annual salary limitations upon declaring a state of emergency.

*Location: 4/27/2012-S. DEAD*

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**SCA 13 (Cannella)** Amended: 1/11/2012

**Pension Reform.** Among other things, it would, for employees first hired on or after January 1, 2013, only allow defined benefit (DB) plans to be provided as part of a hybrid retirement plan, allow retirement benefits to be altered on a prospective basis, and impose limits on pension benefits. For all public employees, it would allow or require increases in employee contributions for both pension and retirement health benefits, and generally prohibit employer contribution holidays or the payment of member contributions. It would also replace retirement boards' authority over actuarial functions with an independent plan actuary appointed to a 12 year term and impose additional qualification requirements on board members.

*Location: 1/11/2012-Senate Rules Committee.*

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**Bill Number/Author**

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**SCA 18 (Huff)** Introduced: 2/22/2012

**Pension Reform.** Would amend the State Constitution, upon voter approval, to require all State and local government employers to offer public employees first hired on or after July 1, 2013, a hybrid pension plan that provides a combined defined benefit (DB) and defined contribution (DC) retirement benefit, or a specified alternative pension plan option. It also establishes a minimum normal retirement age for safety employees of 57 years old with 30 years of service, and an early retirement age of 52, and for all other employees, establishes a minimum normal retirement age of 67 years old with 35 years of service, and an early retirement age of 57. In addition, the bill prohibits additional retirement service credit purchases, prohibits retroactive pension benefit increases, imposes specified cost sharing requirements on both employees and employers, requires annual normal costs to be paid in each fiscal year, prohibits employers from paying any portion of required employee contributions, imposes benefit forfeiture for job-related felony convictions, imposes limitations on the employment of retired annuitants, increases the retiree health benefit vesting period for State employees, requires State retirees to pay a specified portion of retiree health benefits, and adds two members to the CalPERS Board of Administration.

*Location: 3/1/2012-Senate Public Employment and Retirement Committee*

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