

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
2016 Legislative Year**

Status as of December 8, 2016

B – Other Bills

Bill Number/Author

AB 20 (Kalra) Introduced: 12/5/2016

Dakota Access Pipeline Constructors and Funders: Divestment. Among other things, prohibits CalPERS and CalSTRS from renewing or making any additional investments in any company constructing, or funding the construction of, the Dakota Access Pipeline on and after January 1, 2018. It also requires CalPERS and CalSTRS to liquidate any existing investments in such companies on or before July 1, 2018.

Location: 12/5/2016 – Assembly Print

AB 29 (Nazarian) Introduced: 12/5/2016

Pharmacy Benefit Managers. Expresses legislative intent to enact legislation relating to pharmacy benefit managers.

Location: 12/5/2016 – Assembly Print

SB 17 (Hernandez) Introduced: 12/5/2016

Prescription Drug Cost Transparency. Expresses legislative intent to enact legislation requiring public and private purchasers of health care and health care coverage receive advance notice of price increases for prescription drugs, and also requires the public receive information justifying the prices of new prescription drugs and price increases for existing prescription drugs.

Location: 12/5/2016 – Senate Rules Committee

SB 28 (Pan) Introduced: 12/5/2016

State Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21. Ratifies the memorandum of understanding for State Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21 represented by the Service Employees International Union.

Location: 12/5/2016 – Senate Rules Committee

B – Other Bills
December 8, 2016

Bill Number/Author

SB 32 (Moorlach) Introduced: 12/5/2016

Pension Reform. Expresses legislative intent to enact legislation to resume public employee pension reform, begun by the Public Employees' Pension Reform Act of 2013 (PEPRA).

Location: 12/5/2016 – Senate Rules Committee

SCA 1 (Moorlach) Introduced: 12/5/2016

Secure Choice Retirement Savings Program. Amends the State Constitution to prohibit the state from incurring any liability for payment of the retirement savings benefit earned by program participants in the California Secure Choice Retirement Savings Program. It also prohibits the appropriation, transfer, or encumbrance of General Fund moneys for the Program, except to fund its startup and first-year administrative costs.

Location: 12/5/2016 – Senate Rules Committee

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Please note that the federal bills in the 114th Congress are still outstanding.

F – Federal Bills

Bill Number/Author

H.R. 711 (Brady, R-Tex.) Introduced: 2/04/2015

Board Position: Support

Equal Treatment of Public Servants Act. H.R. 711 would repeal the windfall elimination provision (WEP) of the Social Security Act – which arbitrarily reduces the Social Security Benefits of workers who also have pension benefits from employment not covered by Social Security – and replaces it with a new formula that more accurately accounts for each individual's actual wage history. The legislation also prescribes a second formula to modify the impact of the WEP for current retirees. Although H.R. 711 currently directs the Commissioner of Social Security to implement an enhanced WEP enforcement program, the author has indicated his intent to remove the requirement during a Ways and Means markup.

Status: 7/13/2016 – Full committee consideration and markup held by the House Ways and Means Committee. Although this bill was scheduled for a full markup, Ways and Means Chairman Kevin Brady delayed indefinitely a scheduled markup of his bill to establish a new formula for streamlining Social Security benefits for teachers, policemen, firemen, and other public employees who have worked in jobs not covered by Social Security. Introduced 2/04/2015.

H.R. 4718 (Maloney, D-N.Y.) Introduced: 3/07/2016

Board Position: Support

Gender Diversity in Corporate Leadership Act. H.R. 4718 directs the Securities and Exchange Commission (SEC) to establish a Gender Diversity Advisory Group, composed of government, academic, and private sector representatives, to study strategies to increase gender diversity among the members of the boards of directors of issuers. This bill would also amend the Securities Exchange Act of 1934 to direct the SEC, by rule, to require each issuer to disclose, in any proxy or consent solicitation material for an annual shareholders meeting, the gender composition of the issuer's board of directors and nominees for it.

Status: 3/07/2016 – Read twice and referred to House Financial Services Committee.

H.R. 4822 (Nunes, R-Calif.) Introduced 3/21/2016

Public Employee Pension Transparency Act. H.R. 4822 requires plan sponsors of state and local government employee pension benefit plans to report to the U.S. Secretary of the Treasury each plan year beginning on or after January 1, 2017, prescribed plan information that, among other things, mandates the use of existing valuation methods and calculation assumptions to discount liabilities, in addition to the use of the U.S. Treasury Obligation Yield Curve, or risk-free rate of return to discount plan liabilities. If plan sponsors do not comply with the reporting requirements in the legislation, then federal tax benefits specified in the legislation shall not be allowed or made with respect to bonds issued by a state or political subdivision until compliance is obtained, including the exemption from federal tax on state and local bonds. The legislation also requires the Secretary to develop and maintain a public website that houses the required reports.

Status: 3/21/2016 – Read twice and referred to House Ways and Means Committee.

Bill Number/Author

H.R. 5311 (Duffy, R-Wis.) Introduced: 5/24/2016

Corporate Governance Reform and Transparency Act. H.R. 5311 would require the registration of proxy advisory firms and the management of conflicts of interest. The bill would also impose additional rulemaking requirements on the Securities and Exchange Commission (SEC) for proxy advisory firms, including requiring the SEC to issue rules to prohibit the offering of proxy advisory services that the SEC determines are not in the best interest of investors or shareowners. H.R. 5311 would require proxy advisory firms to employ an ombudsman to receive complaints “from the subjects” of voting recommendations and to resolve complaints before a vote occurs.

Status: 9/28/2016 – Reported to the House as amended by the House Financial Services Committee and placed on the Union Calendar, Calendar No. 621. H. Rept. 114-798.

H.R. 5424 (Hurt, R-Va.) Introduced: 6/09/2016

Investment Advisers Modernization Act. Under current law, the Securities and Exchange Commission (SEC) enforces rules and requirements for advertising, transferring, and selling funds and securities by investment advisers. H.R. 5424 would revise certain requirements related to investment advisers. The bill would tailor regulation for private equity firms that the Dodd-Frank Wall Street Reform and Consumer Protection Act required to be registered with the SEC, including a reduction of the books and records requirements related to investment advisory contracts and advertisements.

Status: 09/12/2016 – Received in the Senate and referred to the Senate Banking, Housing, and Urban Affairs Committee. H. Rept. 114-698.

H.R. 5429 (Garrett, R-N.J.) Introduced: 6/09/2016

SEC Regulatory Accountability Act. H.R. 5429 would require the Securities and Exchange Commission (SEC) to consider the costs and benefits of its regulations and to review existing regulations to determine whether they are “outmoded, ineffective, insufficient or excessively burdensome.”

Status: 9/28/2016 – Reported to the House by the House Financial Services Committee and placed on the Union Calendar, Calendar No. 622. H. Rept. 114-799.

H.R. 5983 (Hensarling, R-Tex.) Introduced: 9/09/2016

Financial CHOICE Act of 2016. H.R. 5983, among many things, would comprehensively reform provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (P.L. 111-203, or “Dodd-Frank”), which includes a repeal of the Orderly Liquidation Authority, Volker Rule and provides an “off ramp” for Dodd-Frank and Basel III capital, liquidity and leverage requirements.

Status: 9/23/2016 – Referred to the Commodity Exchanges, Energy, and Credit Subcommittee.

Bill Number/Author

S. 2381 (Hatch, R-Utah) Introduced: 12/09/2015

Puerto Rico Assistance Act of 2015. S. 2381 provides assistance and support to the Commonwealth of Puerto Rico and among many things establishes a new annuity accumulation retirement plan in federal law for state and local government employees beginning after 2015.

Status: 12/09/2015 – Read twice and referred to Senate Finance. While this bill is still active, following the Supreme Court ruling Puerto Rico v. Franklin California Tax-Free Trust, Puerto Rico could not restructure some of its debts under locally enacted law. Congress passed and the President signed Public Law 114-187 the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA) without the annuity accumulation retirement plan language. As a result, S. 2381 is not likely to proceed.
