

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
2017-18 LEGISLATIVE SESSION
STATE AND FEDERAL PROGRAM UPDATE
STATUS AS OF December 7, 2017**

State Bills

AB 29 (Nazarian) Amended: 5/11/2017

CalPERS Position: N/A

Sponsor: Author

Pharmacy Benefit Managers. Among other things, requires a Pharmacy Benefits Manager (PBM) to provide written disclosure to a purchaser on a quarterly basis, subject to their agreement to keep any proprietary information confidential: 1) the amount of rebates, retrospective utilization discounts and any other revenue that it received from drug manufacturers and labelers for the benefits provided, as specified; 2) any administrative or other fees charged to the purchaser; and 3) arrangements with providers, pharmacies and other entities that assist the PBM with formulary compliance and benefit management. It also requires Department of Managed Health Care (DMHC) to license a PBM, develop the application for the PBM license, and establish the licensing fee. Furthermore, it permits DMHC to deny, suspend, revoke, or place on probation a PBM license for failure to comply with this provision.

Action Taken: Monitoring

Location: 5/26/2017- Assembly Appropriations Suspense File

AB 161 (Levine) Introduced: 1/13/2017

CalPERS Position: N/A

Sponsor: Author

Investment Return Guarantees for CalPERS Investments in California Infrastructure Projects. Authorizes the Department of Finance to identify infrastructure projects in California for which the Department will guarantee a rate of return for investments made by CalPERS, subject to the availability of special fund moneys deposited into a newly established Reinvesting in California Special Fund.

Action Taken: Monitoring

Location: 9/1/2017- Senate Appropriations Committee

AB 315 (Wood) Amended: 7/11/2017

CalPERS Position: N/A

Sponsor: Author

Pharmacy Benefit Management. Among other things, requires Pharmacy Benefit Managers (PBMs) to register with the Department of Managed Health Care, and authorizes its director to suspend a PBM registration, as specified. For agreements between a PBM and a purchaser or pharmacy network provider entered into, issued, amended, renewed, or delivered on and after January 1, 2018, it requires a PBM to exercise good faith and fair dealing in the performance of its contractual duties to a purchaser and requires a PBM to notify purchasers in writing of any activity, policy, or practice that directly or indirectly presents a conflict of interest. It also requires a PBM to provide quarterly disclosure, upon request, to a purchaser subject to their agreement to keep any proprietary information confidential: 1) the aggregate wholesale acquisition cost from a drug manufacturer or labeler for each therapeutic category of drugs; 2) the aggregate amount of rebates and utilization discounts received from drug manufacturers; 3) any administrative fees received from drug manufacturers; 4) whether the PBM has a contract, agreement, or other arrangement with a drug manufacturer to exclusively dispense or provide a drug to the purchaser's enrollees and the economic benefits received from that arrangement; 5) prescription drug utilization information for the purchaser's enrollees; 6) the aggregate of payments made to pharmacies they own and those they do not own; and 7) the aggregate amount of fees imposed on or collected from network pharmacies.

Action Taken: Monitoring

Location: 9/7/2017- Senate Inactive File

AB 587 (Chiu) Amended: 7/12/2017

CalPERS Position: N/A

Sponsor: Author

California Pharmaceutical Collaborative. Requires the Department of General Services (DGS) to convene the California Pharmaceutical Collaborative (CPC), whose membership would be comprised of state agencies, legislative and stakeholder appointees, and CalPERS, Covered California, and University of California with agreements from their respective Boards. Among other things, it requires the CPC to identify and implement best value treatment protocols and procurement practices, savings strategies such as adopting a common drug formulary under DGS control, and establishing a drug purchasing consortium for the Department of State Hospitals, Department of Corrections and Rehabilitation, Department of Developmental Services, and any other state or local governmental entity that elects to participate. It also authorizes DGS to contract with a Pharmacy Benefits Manager to purchase drugs, negotiate discounts, and act as a consultant to DGS and the CPC. Finally, the bill requires DGS, on or before July 1, 2018, and annually until 2022, to submit a report to the Legislature on the activities of the CPC.

Action Taken: Monitoring

Location: 9/1/2017- Senate Appropriations Committee

AB 592 (Dahle) Introduced: 2/14/2017

CalPERS Position: N/A

Sponsor: Author

Public Agency Contract Termination Cost Requests. Allows a contracting agency to request a calculation of total costs necessary to terminate its contract with CalPERS.

Action Taken: Monitoring

Location: 4/28/2017- Assembly Public Employees, Retirement, & Social Security Committee

AB 595 (Wood) Amended: 4/3/2017

CalPERS Position: N/A

Sponsor: Health Access

Mergers and Acquisitions of Health Care Service Plans. Requires health plans seeking to merge to provide notice and secure prior approval from the Director of the Department of Managed Health Care (DMHC). It also requires DMHC to hold a public hearing on the proposal and make specified findings. If the Director determines that a material amount of the health care service plan's assets are subject to merger, consolidation, acquisition, purchase, or control, as specified, it requires DMHC to prepare an independent health care impact statement. In addition, it allows the Director to give conditional approval if the parties to a merger commit to taking action to prevent adverse impacts on competition, or health care costs, access, and quality of care.

Action Taken: Monitoring

Location: 5/26/2017- Assembly Appropriations Suspense File

AB 946 (Ting) Amended: 3/28/2017

CalPERS Position: N/A

Sponsor: Author

Border Wall Divestment. Requires CalPERS and CalSTRS to cease making new or additional investments, or renewing existing investments in a company that contracts or subcontracts to build, maintain, or provide material for a wall or barrier constructed on the border of the United States and Mexico. It also requires divestment of any existing investments within 12 months of a company contracting or subcontracting to provide work or material for a border wall, and requires each retirement system to engage with any border wall construction company to identify if it is transitioning its business model away from said activity and report to the Legislature on its related engagement and investment actions on or before January 1, 2019.

Action Taken: Monitoring

Location: Scheduled to be heard in the Assembly Public Employees, Retirement, & Social Security Committee on January 11, 2018

AB 1310 (Allen, Travis) Introduced: 2/17/2017

CalPERS Position: N/A

Sponsor: Author

Unfunded Liability Disclosure. Requires the governing board of a public retirement system to disclose the unfunded liability and health care debt of the system on each member statement.

Action Taken: Monitoring

Location: 4/28/2017- Assembly Public Employees, Retirement, & Social Security Committee

AB 1311 (Allen, Travis) Introduced: 2/17/2017

CalPERS Position: N/A

Sponsor: Author

CalPERS Board of Administration. Adds two gubernatorial appointees with specific qualifications to the 13-member CalPERS Board of Administration, changes the qualification requirements for the current life insurance official appointed by the Governor, and adds qualification requirements for the legislative appointee. It also prohibits reimbursement to the employing agency of an elected board member from exceeding 35 percent of his or her annual salary and benefits, or the travel reimbursement to board members from exceeding \$10,000 per year. Finally, the bill allows board candidates to provide campaign materials to the system, for mailing by the system to the members eligible to vote for the candidate, at the candidate's expense.

Action Taken: Monitoring

Location: Scheduled to be heard in the Assembly Public Employees, Retirement, & Social Security Committee on January 11, 2018

AB 1353 (Waldron) Amended: 3/23/2017

CalPERS Position: N/A

Sponsor: California Chronic Care Coalition

Prescription Drug Coverage: Appeal Processes. Among other things, requires a health plan or insurer that provides prescription drug coverage, to review and approve an exception request to its prior authorization, utilization or medical management practices for a medically necessary prescription drug, as specified, if 1) the requestor was prescribed the drug within 100 days of his or her enrollment, or the drug had been previously approved for coverage by the plan or insurer for the same medical condition within 100 days prior to his or her exception request. It also prohibits a health plan or insurer from imposing any step therapy, prior authorization, utilization or medical management process for a medically necessary nonformulary prescription drug, if the enrollee was prescribed a drug that had previously been included on the plan or insurer's formulary within 100 days prior to the date of the prescription, as specified.

Action Taken: Monitoring

Location: 4/28/2017- Assembly Health Committee

AB 1597 (Nazarian) Amended: 6/22/2017

CalPERS Position: **Oppose**

Sponsor: Author

Divestment from Turkish Investment Vehicles. Requires CalPERS and CalSTRS to cease making new or additional investments, or renewing existing investments in any investment vehicle owned, controlled, managed, or issued by the government of Turkey, as defined. It also requires divestment of any existing investments within six months of the passage of a federal law imposing sanctions on Turkey, and requires each retirement system to report on their divestment actions within one year of the passage of sanctions, as specified.

Action Taken: Engaging with Assembly Member

Location: 7/14/2017- Senate Public Employment & Retirement Committee

ACA 15 (Brough) Introduced: 5/9/2017

CalPERS Position: N/A

Sponsor: Author

Protecting Schools and Keeping Pension Promises Act of 2018. Among other things, amends the State Constitution to prohibit a government employer from enhancing employee pension benefits, enrolling a new government employee in a defined benefit (DB) pension plan, or paying more than half of the total cost of retirement benefits unless approved by the voters of that jurisdiction. It also prohibits retirement boards from imposing termination fees or other financial conditions on a government employer attempting to close its DB plan to new members, unless approved by the voters or the sponsoring government employer.

Action Taken: Monitoring

Location: 5/9/2017- Assembly Print

SB 32 (Moorlach) Amended: 3/2/2017

CalPERS Position: N/A

Sponsor: Author

California Public Employees' Pension Reform Act of 2018. Among other things, requires the CalPERS Board of Administration (Board) to determine the unfunded liability of the system in 1980 and reduce the unfunded liability to that level by 2030 with the goal of fully funding the system. In any year in which the unfunded actuarial liability of the system is greater than zero, it requires the Board to increase the employer contribution rate otherwise adopted by the Board by 10 percent. Furthermore, it requires the Board to develop and submit a hybrid plan with defined benefit and defined contribution components to the Legislature for approval, which would be provided to all new members entering the system on and after legislative adoption, or existing CalPERS members that elect to participate in the hybrid plan, and also to review and reclassify the positions eligible to be included in its safety member classifications. In addition, it prohibits any public retirement board from making a cost of living adjustment to any allowance payable to, or on behalf of, a person retired under the system, or to any survivor or beneficiary of a member or person retired under the system, for any year beginning on or after January 1, 2018, in which CalPERS or CalSTRS is not fully funded. It also prohibits retirement boards from classifying as pensionable compensation, any incentive, educational, premium, special assignment, or holiday pay earned by PEPPRA new members. Finally, for individuals entering a public retirement system on and after January 1, 2018, it imposes a five-year final compensation period, and limits their ability to a leave public employer for greater than a year and retain their former benefit formulas, contribution levels, etc. for future service.

Action Taken: Engaging with Senator

Location: 4/28/2017- Senate Public Employment & Retirement Committee

SB 172 (Portantino) Amended: 5/1/2017

CalPERS Position: N/A

Co-Sponsors: American Society for Reproductive Medicine; Alliance for Fertility Preservation; and Fertile Action

Health Care Coverage: Fertility Preservation. Clarifies that basic health care services provided by health plans include standard fertility preservation services when a necessary medical treatment may directly or indirectly cause iatrogenic infertility. It also requires individual or group health insurance policies issued, amended, or renewed on and after January 1, 2018, that provides coverage for hospital, medical, or surgical expenses to cover standard fertility preservation services when a necessary medical treatment may directly or indirectly cause iatrogenic infertility.

Action Taken: Monitoring

Location: 5/26/2017- Senate Appropriations Suspense File

SB 199 (Hernandez) Amended: 3/30/2017

CalPERS Position: N/A

Sponsor: Author

The California Health Care Cost, Quality, and Equity Atlas. Requires the Secretary of the California Health and Human Services Agency (CHHS) to convene an advisory committee composed of health care plans, insurers, providers, suppliers, and purchasers to review and make recommendations on the appropriate data sources, technology, governance, financing and priorities necessary to implement a health care cost, quality, and equity atlas, based on research performed by CCHS and contained in a report to the Legislature that is due by March 1, 2017.

Action Taken: Monitoring

Location: 9/1/2017- Assembly Appropriations Suspense File

SB 221 (Wiener) Introduced: 2/2/2017

CalPERS Position: N/A

Sponsor: Equality California

Health Care Coverage: Lipodystrophy Syndrome. Among other things, the bill requires an individual or group health care service plan contract or insurance policy issued, amended, or renewed on and after January 1, 2018, that covers hospital, medical, or surgical expenses, to provide coverage for medical or drug treatments to correct or repair disturbances of body composition caused by human immunodeficiency virus associated lipodystrophy syndrome, as specified.

Action Taken: Monitoring

Location: 4/28/2017- Senate Health Committee

SB 454 (Moorlach) Amended: 4/6/2017

CalPERS Position: N/A

Sponsor: Author

Retiree Health Benefits for New State Employees. For state employees who are first employed and become CalPERS members on or after January 1, 2018, the bill establishes the employer contribution for annuitants at 80 percent of the weighted average of health plan premiums for the four most enrolled-in basic health plans by active state employees enrolled for self-alone. For eligible family members, it sets the employer contribution at 80 percent of the weighted average of the additional premiums required for enrollment of those family members in those same four health plans. The bill also allows all existing agreements with State Bargaining Units that specify different employer contribution levels to remain in effect until their expiration. In addition, it requires the state, on and after January 1, 2018, to assume all responsibility for prefunding retiree health care, with the goal of paying 100 percent of the actuarially determined normal costs by July 1, 2019. It also requires the state to pay unfunded liabilities associated with existing retiree healthcare liabilities that have accrued, as reported by the Controller, with the goal of paying 50 percent of the actuarially determined cost of these liabilities by January 1, 2022, and 100 percent of the actuarially determined cost of these liabilities by January 1, 2026.

Action Taken: Monitoring

Location: 4/28/2017- Senate Public Employment & Retirement Committee

SB 538 (Monning) Amended: 5/26/2017

CalPERS Position: N/A

Sponsor: Author

Hospital Contracts. Among other things, prohibits contracts between a health plan or insurer and a hospital from: 1) setting payment rates or other terms and conditions for affiliates of the hospital outside the plan network; 2) requiring the health plan or insurer to contract with all affiliates of the hospital; 3) forcing a health plan or insurer enrollee to be bound by the terms of the contract between the hospital and the health plan or insurer; 4) mandating that a health plan or insurer submit to binding arbitration for antitrust claims; 5) requiring a health plan or insurer to impose the same copayment, coinsurance, and deductible at in-network hospitals but at a different cost sharing tier than other in-network hospitals; and 6) requiring a health plan or insurer to keep rates confidential from enrollees who are or will become liable for payments.

Action Taken: Monitoring

Location: 7/14/2017- Assembly Health Committee

SB 560 (Allen) Amended: 4/17/2017

CalPERS Position: N/A

Sponsor:

Financial Climate Risk. Requires the CalPERS Board of Administration and the Teachers' Retirement Board to consider financial climate risk, as defined, in the management of any fund they administer, including when making decisions regarding the fund's asset allocation; increasing, decreasing, or maintaining investments in individual companies or commingled funds; or hiring external asset managers. Beginning January 1, 2020, it also requires these Boards to include in their respective Comprehensive Annual Financial Report, the financial climate risks of their investments; alignment of their investment portfolios with the Paris climate agreement and California climate policy goals; the value at risk if these goals are achieved; the exposure of the portfolio to long-term risks; and engagements with portfolio companies that are the most carbon intense, as specified.

Action Taken: Engaging with Senator

Location: 5/26/2017- Senate Appropriations Suspense File

SB 562 (Lara) Amended: 5/26/2017

CalPERS Position: N/A

Co-Sponsors: Fossil Free California; Environment California

The Healthy California Act. Among other things, creates the Healthy California Program (Program) to provide comprehensive universal single-payer health care coverage for all California residents and administer a health care cost control system. It establishes a nine member Healthy California Board (Board) to develop and administer the Program, as well as a public advisory committee. It requires the Board to adopt regulations regarding contracting and establishing payment methodologies for covered health care services and care coordination provided to members, and requires that all services, except for care coordination as defined, be paid for on a fee-for-service basis until the Board adopts another methodology. It also requires the Board to seek waivers from the federal government to incorporate Medicare, Medi-Cal, and Covered California funds into the Healthy California Trust Fund (Fund), and prohibit the Program from becoming operative until the Secretary of California Health and Human Services provides notification that the Fund has the revenues to finance Program implementation costs.

Action Taken: Monitoring

Location: 7/14/2017- Assembly Desk

SB 571 (Pan) Introduced: 2/17/2017

CalPERS Position: N/A

Sponsor: Author

Supplemental Public Employee Retirement Plans: Automatic Enrollment and Contribution Escalation. Allows, but does not require, a public employer participating in specified employee retirement plans to automatically enroll employees in such plans, and establish automatic paycheck deductions on their behalf. The bill allows employees to opt-out of the plan and change the amount automatically deducted from their paychecks. It also specifies that a participating employer is not liable for any investment decisions made by the employer with regard to default investments, if specified employee notification requirements are met.

Action Taken: Monitoring

Location: 4/28/2017- Senate Public Employment & Retirement Committee

SB 601 (Morrell) Introduced: 2/17/2017

CalPERS Position: N/A

Sponsor: Author

Retirement System Liability Reporting. Requires CalPERS to annually report the liabilities of its state employee retirement plans, calculated using a discount rate equal to the yield on a 10-year United States Treasury note in the year prior to the report. Among other things, it also requires CalSTRS and the University of California Retirement Plan to calculate the liabilities of their retirement plans in the same manner.

Action Taken: Monitoring

Location: 4/28/2017- Senate Public Employment & Retirement Committee

SB 656 (Moorlach) Introduced: 2/17/2017

CalPERS Position: N/A

Sponsor: Alliance of California Judges

Judges' Retirement System II Deferred Retirement. Allows members of the Judges' Retirement System II to leave the bench prior to attaining both age 65 and 20 years of service or age 70 with at least five years of service, and receive a monthly defined benefit allowance upon attaining these existing age and service requirements.

Action Taken: Monitoring

Location: 4/28/2017- Senate Public Employment & Retirement Committee

SB 681 (Moorlach) Amended: 4/17/2017

CalPERS Position: N/A

Sponsor: Author

Public Agency Contract Termination. Requires the CalPERS Board of Administration (Board) to allow public agencies that contract with CalPERS for employee retirement benefits to, among other things, terminate their contract in a manner that does not result in excessive costs or penalties to the agency, to withdraw assets paid into the system less payments made to its members and their beneficiaries, and ensure that the agency remains responsible for any of its unfunded liabilities. It also requires public agencies to analyze how contract termination would affect its employees' health care benefits, identify federal tax ramifications, and meet notice and approval requirements, as specified.

Action Taken: Monitoring

Location: 4/28/2017- Senate Public Employment & Retirement Committee

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

CalPERS Position: N/A

Sponsor: Author

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.

Action Taken: Monitoring

Location: 1/12/2017- Senate Public Employment and Retirement Committee

SCA 8 (Moorlach) Introduced: 2/15/2017

CalPERS Position: N/A

Sponsor: Author

Retirement Benefits for Future Service. Amends the State Constitution to specifically allow all state, school, and local government employers to reduce promised retirement benefits to existing public employees for work performed in the future. Benefits affected would include defined benefit pension plans, defined contribution plans, retiree health care plans, or any form of deferred compensation.

Action Taken: Monitoring

Location: 2/23/2017- Senate Public Employment and Retirement Committee

SCA 10 (Moorlach) Introduced: 2/17/2017

CalPERS Position: N/A

Sponsor: Author

Voter Approval of Public Retirement Benefit Increases. Prohibits a state or local government employer from providing public employees any retirement benefit increase, to include a defined benefit pension plan, defined contribution plan, retiree health care plan, or any form of deferred compensation, unless approved by a two-thirds vote of the electorate of the applicable jurisdiction.

Action Taken: Monitoring

Location: 3/2/2017- Senate Public Employment and Retirement Committee

SR 45 (Mendoza) Introduced: 6/14/2017

CalPERS Position: N/A

Sponsor: Author

Dodd-Frank Wall Street Reform and Consumer Protection Act. A resolution by the California State Senate that calls upon the United States Senate to reject any legislation that seeks to dismantle or roll back the consumer protections enacted in the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Action Taken: Monitoring

Location: 8/28/2017- Senate Inactive File

Federal Bills

H.R. 1 – Brady, Kevin (R-TX) Introduced: 11/2/2017 CalPERS Position: N/A

The Tax Cuts and Jobs Act. Among many things, the bill would amend the Internal Revenue Code to reduce tax rates and modify policies, credits, and deductions for individuals and businesses.

Action Taken: Advocated for removal of the House Unrelated Business Income Tax (UBIT) to state and local pension plans provision, Section 5001.

Status: 12/6/2017 - Motion to request conference. Motion agreed to 51-47. House message to accompany the bill considered by the Senate.

H.R. 10 – Hensarling, Jeb (R-TX) Introduced: 4/26/2017 CalPERS Position: N/A

Financial CHOICE Act of 2017. A bill that, among many things, would comprehensively reform the Dodd-Frank Wall Street Reform and Consumer Protection Act and many other laws concerning regulation and regulatory agencies in the financial industry. H.R. 10 would repeal the Federal Deposit Insurance Corporation's authority to use the Orderly Liquidation Fund and would change how the operations of the National Credit Union Administration and Consumer Financial Protection Bureau are operated and funded. The bill also prohibits the Securities and Exchange Commission (SEC) from requiring the use of a universal proxy ballot, revises the SEC Rule 14a8 to require one percent ownership in a company over a three-year period to submit a shareholder proposal, and increases resubmission thresholds for shareholder proposals.

Action Taken: Conducted educational briefings with relevant House and Senate committee members.

Status: 7/13/2017 - Hearing held in the Senate Committee on Banking, Housing, and Urban Affairs

H.R. 1205 – Davis, Rodney (R-IL) Introduced: 2/21/2017 CalPERS Position: N/A

Social Security Fairness Act of 2017. A bill to amend title II of the Social Security Act to repeal the Government Pension Offset and Windfall Elimination Provisions.

Action Taken: Monitoring

Status: 3/6/2017 - Referred to the Subcommittee on Social Security

H.R. 1312 – Poliquin, Bruce (R-ME) Introduced: 3/2/2017 CalPERS Position: **Support**

The Small Business Capital Formation Enhancement Act. This bill would amend the Small Business Investment Incentive Act of 1980 with respect to the annual government-business forum of the Securities and Exchange Commission (SEC) to review the current status of problems and programs relating to small business capital formation.

Action Taken: Sent a letter to Senator's Crapo and Brown requesting inclusion of H.R. 1312 in S. 2155 on December 4, 2017.

Status: 5/2/2017 - Received in the Senate and read twice and referred to the Committee on Banking, Housing, and Urban Affairs

H.R. 1628 – Black, Dianne (R-TN) Introduced: 3/20/2017 CalPERS Position: N/A

American Health Care Act of 2017. Among many things, this would amend the Patient Protection and Affordable Care Act (PL 111-148 and PL 111-152) to eliminate funding for the Prevention and Public Health Fund and increase funding for community health centers; impose a one-year freeze on mandatory funding to a class of providers designated as prohibited entities that includes Medicaid, the Children's Health Insurance Program, Maternal and Child Health Services Block Grants, and Social Services Block Grants; delay the Cadillac tax until 2025 (the proposed manager's amendment would delay the tax for an additional year, until 2026); and, repeal the health insurance tax beginning in 2018. The legislation would codify that the Medicaid expansion is a state option upon enactment.

Action Taken: Letter requesting bipartisan approach to health reform sent to Senate Committee on Finance Chairman Orrin Hatch on May 23, 2017.

Status: 7/28/2017 - Returned to the Senate Legislative Calendar

H.R. 2864 – Sinema, Kyrsten (D-AZ) Introduced: 6/8/2017 CalPERS Position: **Support**

The Improving Access to Capital Act. This bill would direct the Securities and Exchange Commission to allow certain issuers to be exempt from registration requirements, and for other purposes.

Action Taken: Sent a letter to Senator's Crapo and Brown requesting inclusion of H.R. 2864 in S. 2155 on December 4, 2017.

Status: 9/6/2017 - Received in the Senate and read twice and referred to the Committee on Banking, Housing, and Urban Affairs

H.R. 4015 – Duffy, Sean P. (R-WI) Introduced: 10/11/2017 CalPERS Position: **Oppose**

Corporate Governance Reform and Transparency Act of 2017. Among many things, this bill would establish a new registration regime for proxy advisory firms and subject such firms to additional regulatory requirements.

Action Taken: Signed a stakeholder opposition letter that was sent to the House Financial Services Committee on November 9, 2017.

Status: 11/15/2017 – Full committee consideration markup held by the House Financial Services Committee.

H.R. 4279 – Hollingsworth, Trey (R-IN) Introduced: 11/7/2017 CalPERS Position: **Support**

The Expanding Investment Opportunities Act. This bill would direct the Securities and Exchange Commission to revise any rules necessary to enable closed-end companies to use the securities offering and proxy rules that are available to other issuers of securities.

Action Taken: Sent a letter to Senator's Crapo and Brown requesting inclusion of H.R. 4279 in S. 2155 on December 4, 2017.

Status: 11/15/2017 - Full committee consideration markup held by the House Financial Services Committee.

S. 536 – Reed, Jack (D-RI) Introduced: 3/7/2017 CalPERS Position: **Support**

Cybersecurity Disclosure Act of 2017. This requires the Securities and Exchange Commission to issue a final rule to require publicly traded companies to disclose in their annual report or annual proxy statement whether any member of their governing body, such as a board of directors, has expertise or experience in cybersecurity issues.

Action Taken: Sent a letter of support to Senator Reed on July 26, 2017.

Status: 9/12/2017 – Senate Committee on Banking, Housing, and Urban Affairs. Hearings held.

S. 637 – Wyden, Ron (D-OR) Introduced: 3/15/2017 CalPERS Position: N/A

Creating Transparency to Have Drug Rebates Unlocked (C-THRU) Act of 2017. This bill would require public disclosure of the total amount of rebates provided to drug manufacturers to pharmacy benefit managers and the proportion of those rebates that are passed on to health plans.

Action Taken: Monitoring

Status: 3/15/2017 - Read twice and referred to the Senate Committee on Finance

S. 870 – Hatch, Orrin G. (R-UT) Introduced: 4/6/2017 CalPERS Position: N/A

Creating High-Quality Results and Outcomes Necessary to Improve Chronic (CHRONIC) Care Act of 2017. This bill would amend title XVIII (Medicare) of the Social Security Act to implement Medicare payment policies designed to improve management of chronic disease, streamline care coordination, and improve quality outcomes without adding to the deficit.

Action Taken: Monitoring

Status: 9/29/2017 - Referred to the Subcommittee on Health

S. 915 – Brown, Sherrod (D-OH) Introduced: 2/24/2017 CalPERS Position: N/A

Social Security Fairness Act of 2017. A bill to amend title II of the Social Security Act to repeal the Government Pension Offset and Windfall Elimination Provisions.

Action Taken: Monitoring

Status: 4/24/2017 - Read twice and referred to the Senate Committee on Finance

S. 2155 – Crapo, Michael (R-Idaho) Introduced: 11/16/2017 CalPERS Position: N/A

The Economic Growth, Regulatory Relief, and Consumer Protection Act. A bill to promote economic growth, provide tailored regulatory relief, and enhance consumer protections, and for other purposes.

Action Taken: Sent a letter to Senator's Crapo and Brown requesting inclusion of certain bipartisan House bills, H.R. 1312, H.R. 2864, and H.R. 2479 on December 4, 2017.

Status: 12/05/2017 - Committee on Banking, Housing, and Urban Affairs. Ordered to be reported with an amendment in the nature of a substitute favorably.
