

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
2017-18 LEGISLATIVE SESSION
STATE AND FEDERAL PROGRAM UPDATE
STATUS AS OF APRIL 5, 2018**

Sponsored Bills

AB 2196 (Cooper) Introduced: 2/12/2018 CalPERS Position: CalPERS Requested Legislation

Discontinuing Installment Payments Into Retirement. Requires a member that elects to purchase or convert service credit on or after January 1, 2019, to pay any remaining balance by his or her retirement date, or elect to have his or her monthly allowance reduced by the actuarial equivalent of the unpaid balance, in lieu of making installment payments into retirement. The same payment choices will also apply to the survivor or beneficiary of a member who makes a service credit purchase or conversion in the future, and passes away prior to retirement. It also allows members, survivors, and beneficiaries with an existing election to purchase or convert service credit, the additional option to have his or her monthly allowance reduced by the actuarial equivalent of the unpaid balance at retirement.

Action Taken: Engaging with Capitol staff.

Location: Assembly Public Employees, Retirement, and Social Security Committee

AB 2415 (Calderon) Introduced: 2/14/2018 CalPERS Position: CalPERS Requested Legislation

Appointment and Compensation Authority for a Chief Health Director and Chief Operating Officer. Adds a Chief Health Director and a Chief Operating Officer to the list of key executives for which the CalPERS Board of Administration has authority to set compensation, conditions of employment, and performance standards.

Action Taken: Engaging with Capitol Staff. Passed Assembly PER&SS Committee hearing held on April 4, 2018.

Location: Assembly Appropriations Committee

AB 3245 (Committee on Public Employees, Retirement, and Social Security)

Introduced: 2/22/2018

CalPERS Position: CalPERS Requested Legislation

CalPERS 2018 Omnibus Bill. Makes minor policy and technical changes to the Public Employees' Retirement Law (PERL).

Action Taken: Engaging with stakeholder groups and Capitol staff.

Location: Assembly Public Employees, Retirement, and Social Security Committee

SB 1022 (Pan) Amended: 3/14/2018

CalPERS Position: CalPERS Requested Legislation

CalPERS Terminating Agency Process. Shortens the timeframe in which a contracting agency can voluntarily terminate its participation in CalPERS and requires a terminating agency to notify past and present employees of its intention to terminate.

Action Taken: Engaging with stakeholder groups and Capitol staff.

Location: Scheduled to be heard in the Senate Public Employment and Retirement Committee on April 23, 2018.

Active State Bills

AB 595 (Wood) Amended: 1/22/2018

CalPERS Position: N/A

Sponsor: Health Access

Mergers and Acquisitions of Health Care Service Plans. Requires health plans seeking to merge or consolidate with other health plans or insurers to provide notice and secure prior approval from the Director of the Department of Managed Health Care (DMHC). It allows the Director to disapprove the transaction if it could substantially lessen competition in health plan products or create a monopoly in this state, and to give conditional approval to the transaction if the parties commit to taking action to fulfill one or more conditions that benefits subscribers and enrollees, provides for a stable health care delivery system, improves quality or reduces health disparities. It also allows the DMHC to hold a public hearing on the proposed transaction, and requires that if the Director determines that a material amount of the health plan's assets is subject to purchase, acquisition, or control, he or she must prepare an independent health care impact statement and make it available to the public.

Action Taken: Monitoring

Location: 3/15/2018-Senate Health Committee

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

CalPERS Position: See Action Taken

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 and Retirement Committee

***AB 1912 (Rodriguez)** Amended: 3/19/2018

CalPERS Position: N/A

Sponsor: SEIU

Retirement Contracting Requirements for Joint Powers Authorities (JPAs). Among other things, eliminates the ability of JPAs and community choice aggregators to specify in their joint powers agreement that the debts, liabilities, and obligations of the JPA shall not be those of its member agencies. It makes all current and former JPA member agencies jointly and severally liable for its debts to a retirement system, and allows for retroactive application of judgements for breach of a party's obligations to the retirement system. In addition, the bill prohibits the California Public Employees' Retirement System (CalPERS) from contracting with a JPA whose member agencies do not accept joint and several liability, reopens existing JPA contracts with CalPERS to require inclusion of such a provision, and extends CalPERS lien authority to contracting JPA member agencies. It also requires CalPERS to file a civil action against terminating JPA member agencies to compel payment of its obligations, and removes the authority of the CalPERS Board of Administration to not reduce member benefits as their employers' liabilities and assets are moved into the Terminating Agency Pool.

Action Taken: Engaging with stakeholder groups and Capitol staff.

Location: 3/15/2018- Assembly Public Employees, Retirement, and Social Security Committee

**Newly added to the Legislative Update Report*

***AB 1998 (Rodriguez)** Amended: 3/12/2018

CalPERS Position: N/A

Sponsor: Author

Prescription Drugs: Opioid Prescriber Limits. Limits opioid prescriptions to a three-day supply, unless the prescriber believes a larger prescription is necessary to treat chronic pain or a medical condition. It requires a prescriber to discuss with the patient the risks of overdose, opioid addition and addiction treatment options, and also include specified information in the patient's record, when an opioid prescription specifies more than a three-day supply, or is the patient's fourth prescription for an opioid without a dosage decrease.

Action Taken: Monitoring

Location: Scheduled to be heard in the Assembly Health Committee on April 17, 2018.

***AB 2193 (Maienschein)** Introduced: 2/12/2018

CalPERS Position: N/A

Sponsor: 2020 Mom and Maternal Mental Health Now

Health Care Coverage: Maternal Mental Health Screening. Among other things, requires health care service plan contracts and health insurance policies issued, renewed, or amended on or after January 1, 2019 to cover maternal mental health conditions. It also requires health care service plans, by July 1, 2019, to develop a case management program (CMP) for enrollees and providers to use to determine these conditions and notify providers, in writing annually, of the CMP's availability and how provider can access the CMP.

Action Taken: Monitoring

Location: Scheduled to be heard in the Assembly Health Committee on April 24, 2018.

***AB 2310 (Aguilar-Curry)** Amended: 3/20/2018

CalPERS Position: N/A

Sponsor: County of Napa

Contracting Agency Cost Sharing. Existing law allows CalPERS contracting agencies to share the costs of the employer contribution for retirement benefits with their employees by specifying the exact percentage of member compensation to be allocated to the employer contribution in a collective bargaining agreement (CBA) ratified by both parties and executed through a contract or contract amendment. This bill allows contracting agencies to also negotiate cost-sharing through a ratified memorandum of understanding (MOU) and executed through a contract or contract amendment. It also allows agencies that negotiate a cost-sharing methodology in a CBA or MOU, to notify CalPERS of the exact percentage of member compensation to be allocated to the employer contribution pursuant to that methodology, by providing a signed side letter ratified by the employee bargaining unit and the agency at least ninety days prior to the effective date of the change.

Action Taken: Engaging with stakeholder groups and Capitol staff.

Location: 3/19/2018-Assembly Public Employees, Retirement, and Social Security Committee

**Newly added to the Legislative Update Report*

***AB 2342 (Burke)** Introduced: 2/13/2018

CalPERS Position: N/A

Sponsor: City of Los Angeles

Health Care Coverage: Breast Cancer Susceptibility Gene (BCRA) Screening, Genetic Counseling, and Testing. Requires health care service plan contracts and health insurance policies issued, renewed, or amended on or after January 1, 2019 to cover screening, genetic counseling, and testing for BCRA mutations in women, as specified.

Action Taken: Monitoring

Location: Scheduled to be heard in the Assembly Health Committee on April 24, 2018.

***AB 2384 (Arambula)** Introduced: 2/14/2018

CalPERS Position: N/A

Sponsor: California Medical Association

Health Care Coverage: Medication-Assisted Treatment of Substance Abuse. Requires health care service plans and health insurers that cover prescription drugs and maintain one or more drug formularies, to cover specified medications approved by the Food and Drug Administration for the treatment of substance abuse disorders. It also specifies that medication-assisted treatment is presumed to be medically necessary and not subject to various drug utilization strategies and policies.

Action Taken: Monitoring

Location: Scheduled to be heard in the Assembly Health Committee on April 24, 2018.

AB 2571 (Gonzalez Fletcher) Introduced: 2/15/2018

CalPERS Position: N/A

Sponsor: Unite Here Local 11

Alternative Investment Vehicle Race and Gender Pay Equity Policies: Investment Prohibition. Among other things, requires public retirement systems to cease making new or additional investments, or renewing existing investments in any alternative investment vehicle whose manager or subsidiary entity has not adopted and committed to comply with a race and gender pay equity policy, as specified. It also requires alternative investment managers and subsidiary entities to submit compliance reports to their respective retirement system investors at least once annually, and requires retirement systems to disclose all pay equity reporting information annually at a public meeting, and provide that information to the State Auditor.

Action Taken: Engaging with stakeholder groups and Capitol staff.

Location: 3/19/2018-Assembly Public Employees, Retirement, and Social Security Committee

***AB 2643 (Irwin)** Introduced: 2/15/2018

CalPERS Position: N/A

Sponsor: California Dental Association and California Society of Pediatric Dentistry

Health Care Coverage: Dentistry: General Anesthesia. Existing law requires health care service plans and health insurers to provide coverage for general anesthesia and associated facility charges for dental treatment when that treatment is rendered in a hospital or surgery center. This bill requires health care service plan contracts and health insurance policies issued, renewed, or amended on or after January 1, 2019 to provide coverage for general anesthesia and any associated facility charges for dental treatment when medically necessary regardless of the setting. It also changes the required written informed consent for general anesthesia provided to minors to include a reference to nonsurgical treatment options.

Action Taken: Monitoring

Location: Scheduled to be heard in the Assembly Health Committee on April 24, 2018.

AB 2696 (Rodriguez) Introduced: 2/15/2018

CalPERS Position: N/A

Sponsor: Author

PEMHCA: Association Health Plans. Allows an employee association health benefit plan that meets minimum standards prescribed by the CalPERS Board of Administration (Board) to offer its membership one or more different health plan options with varying premiums on a regional basis, so long as the plan uses the same geographic regions established by the Board for contracting agency regional premiums, or provides a north and south geographic region.

Action Taken: Monitoring

Location: 4/4/2018-Assembly Appropriations Committee

AB 2731 (Gipson) Introduced: 2/15/2018

CalPERS Position: N/A

Author: Unknown

State Personal Income Taxation of an Investment Management Services Interest. Among other things, imposes an additional personal income tax of 17 percent for California-based natural persons, estates and trusts on income derived from an interest in a business, where the individual provides to the business, a substantial quantity of investment advisory, management, financing, or supporting services with respect to specified assets. These assets include securities, as defined in Internal Revenue Code (IRC) Section 475(c)(2) relating to security defined, real estate held for rental or investment, interest in partnerships, commodities; or as defined in IRC Section 475(e)(2) relating to commodity, or options or derivative contracts to any of these. In addition, the bill states legislative intent that moneys derived from the imposition of the state tax be used for education purposes. It also requires the Franchise Tax Board to notify the Legislature if federal tax law is amended to have an identical effect as the state tax described above, and requires the Legislature, upon Franchise Tax Board notification, to consider the disposition of the state tax provision.

Action Taken: Monitoring

Location: Scheduled to be heard in the Assembly Revenue and Taxation Committee on April 23, 2018.

**Newly added to the Legislative Update Report*

***AB 2741 (Burke)** Amended: 4/2/2018

CalPERS Position: N/A

Sponsor: Author

Prescription Drugs: Opioid Limitations: Minors. Limits opioid prescriptions for minors to a five-day supply, unless the prescription is for specified uses. It also requires the prescriber to 1) assess whether the minor has taken or is currently taking prescription drugs for treatment of a substance use disorder, 2) discuss the risks of opioid addiction and overdose with the minor and his or her parent or guardian, and 3) obtain a written consent from the minor's parent or guardian.

Action Taken: Monitoring

Location: Scheduled to be heard in the Assembly Business and Professions Committee on April 10, 2018.

AB 3084 (Levine) Introduced: 2/16/2018

CalPERS Position: N/A

Sponsor: Author

Public Retirement System Annual Reports: Funding of Other Postemployment Benefits (OPEB). Requires public retirement systems to include in their annual audited financial statements, specified information regarding OPEB prefunding.

Action Taken: Monitoring

Location: 3/12/2018-Assembly Public Employees, Retirement, and Social Security 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 656 (Moorlach) Amended: 1/23/2018

CalPERS Position: N/A

Sponsor: Alliance of California Judges

Judges' Retirement System II Deferred Retirement. Allows a member of the Judges' Retirement System II age 60 years or older with a minimum of five years of service, or who accrues a minimum of twenty years of service, to leave the bench and to elect to receive a monthly defined benefit allowance upon attaining the existing age and service requirements of age 65 with at least 20 years of service, or age 70 with at least five years of service.

Action Taken: Engaging with author's office on conforming amendments.

Location: 1/29/2018-Assembly Desk

**Newly added to the Legislative Update Report*

***SB 964 (Allen)** Amended: 3/14/2018

CalPERS Position: N/A

Sponsor: Fossil Free CA; Environment CA

Reporting of Climate-Related Financial Risk. Requires the CalPERS Board of Administration and the Teachers' Retirement Board to analyze climate-related financial risk, as defined, of any fund they administer, to the extent they identify the risk as a material risk. It also requires each Board to publicly report, beginning on or before January 1, 2020 and every three years thereafter, on the climate-related financial risk of their respective public market investment portfolios, including alignment with the Paris Climate Agreement and California climate policy goals; the exposure to long-term risks; and engagements with portfolio companies that are the most carbon intense, as specified. It repeals these requirements effective January 31, 2035.

Action Taken: Monitoring

Location: Scheduled to be heard in the Senate Public Employment and Retirement Committee on April 9, 2018.

SB 984 (Skinner) Introduced: 2/5/2018

CalPERS Position: N/A

Sponsor: Author

Gender Representation on State Boards and Commissions. Among other things, requires the composition of state boards and commissions to be, at minimum, 50 percent women. It also requires the Secretary of State to post on its website the gender composition of each state board and commission.

Action Taken: Monitoring

Location: Scheduled to be heard in the Senate Governmental Organization Committee on April 10, 2018.

***SB 1021 (Wiener)** Introduced: 2/7/2018

CalPERS Position: N/A

Sponsor: Health Access

Prescription Drug Coverage. Among other things, 1) requires health plans and insurers to cover combination antiretroviral drug treatment that are medically necessary for treatment and prevention of HIV/AIDS; 2) removes the sunset date on the statutory requirement that limits cost sharing of covered outpatient prescription drugs for a 30-day supply to \$250 or \$500 for product with an actuarial value at or equivalent to bronze level; 3) prohibits health plans from having more than four drug formulary tiers; 4) codifies an existing regulation by the Department of Managed Health Care that caps the copays at the pharmacy's retail price for a prescription drug.

Action Taken: Monitoring

Location: Scheduled to be heard in the Senate Health Committee on April 25, 2018.

SB 1031 (Moorlach) Amended: 4/5/2018

CalPERS Position: N/A

Sponsor: Author

Suspension of Retirement Allowance Cost-Of-Living Adjustments For New Members. For any individual who becomes a new member of a public retirement system on or after January 1, 2019, prohibits any public retirement system from paying a cost-of-living adjustment (COLA) to that retired member, or his or her survivor or beneficiary in any calendar year that follows a fiscal year in which the system identifies an unfunded actuarial liability greater than 20 percent in its Comprehensive Annual Financial Report (CAFR).

Action Taken: Monitoring

Location: Scheduled to be heard in the Senate Public Employment and Retirement Committee on April 23, 2018.

SB 1032 (Moorlach) Introduced: 2/8/2018

CalPERS Position: N/A

Sponsor: Author

Pension Contract Termination. Among other things, permits a CalPERS contracting agency to terminate its contract at any time without fully funding its pension obligations and allows the agency to transfer its accumulated assets to another pension provider. It also authorizes the CalPERS Board of Administration (Board) to decrease member benefits in the Terminated Agency Pool based on the percentage of the terminating agency's unfunded obligations.

Action Taken: Monitoring

Location: Scheduled to be heard in the Senate Public Employment and Retirement Committee on April 23, 2018.

SB 1033 (Moorlach) Introduced: 2/8/2018

CalPERS Position: N/A

Sponsor: Author

Transfer of Actuarial Liability Between Employers. Among other things, requires a CalPERS state, school, or contracting agency employer that increases the compensation of any member who was previously employed by a different CalPERS employer, to bear actuarial liability for that action when it increases actuarial liability beyond what would have been reasonably expected for the member. It also defines impacted agencies, causative agencies, and establishes principles for identifying reasonable increases in compensation paid on and after January 1, 2019 and, therefore, not subject to actuarial liability transfers.

Action Taken: Monitoring and engaging with Capitol staff.

Location: Scheduled to be heard in the Senate Public Employment and Retirement Committee on April 23, 2018.

SB 1060 (Mendoza) Introduced: 2/12/2018

CalPERS Position: N/A

Sponsor: Author

Member Notification for Delinquent Payments by Contracting Agencies. Requires a CalPERS contracting agency whose payment of employer contributions for member benefits is delinquent, to notify members by mail within 30 days of its delinquent payment.

Action Taken: Monitoring

Location: 2/12/2018-Senate Rules Committee

SB 1062 (Mendoza) Introduced: 2/12/2018

CalPERS Position: N/A

Sponsor: Author

Member Notification for Delinquent Payments by CalPERS and CalSTRS Employers. Requires a CalPERS contracting agency whose payment of employer contributions for member benefits is delinquent, to notify members by mail within 30 days of its delinquent payment. It also requires a CalSTRS employer whose payment of employer contributions for member benefits is delinquent, to notify members by mail within 30 days of its delinquent payment.

Action Taken: Monitoring

Location: 2/12/2018-Senate Rules Committee

***SB 1124 (Leyva)** Amended: 3/22/2018

CalPERS Position: N/A

Sponsor: California Professional Firefighters

Administration of Reportable Compensation. Among other things, establishes procedures for the treatment of member and employer contributions and retirement benefits of non-management state and contracting agency employees, when CalPERS determines a portion of a member's compensation was reported to the System in error. Specifically, it requires CalPERS to review and approve newly enacted memoranda of understanding (MOUs) for compliance with statutes and regulations that specify allowable elements of reportable compensation. For compensation reported pursuant to prior MOUs that is disallowed for noncompliance, it would, for active members, require CalPERS to credit the employer and member for their contributions associated with that compensation. It would also require the allowances of retired members and their beneficiaries to be based on the disallowed compensation if the error is found after CalPERS calculates their final compensation for retirement, subject to specified conditions.

Action Taken: Monitoring

Location: 4/4/2018-Senate Public Employment and Retirement Committee

SB 1149 (Glazer) Introduced: 2/14/2018

CalPERS Position: N/A

Sponsor: Author

Optional Membership for New State Employees. Allows new state employees not employed by the California State University, the University of California, or the legislative or judicial branch, to participate in a Defined Contribution (DC) Plan administered by the California Department of Human Resources (CalHR), in lieu of mandatory membership in the CalPERS Defined Benefit (DB) Program. It requires DC Plan participants to contribute the same percent of compensation as similarly situated employees who participate in the CalPERS DB Program, and provides an employer contribution equal to its DB normal cost payment, which becomes fully vested after five years of employment. The bill also allows employees in the DC Plan to opt into the CalPERS DB Program if the balance in their account meets or exceeds the amount that would have accrued in the DB Program, or pay the full difference if the balance in their account is less than the amount that would have accrued in the DB Program.

Action Taken: Monitoring

Location: Scheduled to be heard in the Senate Public Employment and Retirement Committee on April 23, 2018.

***SB 1166 (Pan)** Amended: 3/22/2018

CalPERS Position: N/A

Sponsor: Author

Member Notification for Delinquent Payments by Contracting Agencies. Requires a CalPERS contracting agency whose payment of employer contributions for member benefits is delinquent, to notify members by mail within 30 days of its delinquent payment.

Action Taken: Monitoring

Location: 4/4/2018-Senate Public Employment and Retirement Committee

SB 1195 (Portantino) Amended: 4/2/2018

CalPERS Position: N/A

Sponsor: Peace Officers Research Association of California (PORAC)

PEMHCA: Association Health Plans Allows the PORAC Insurance and Benefits Trust to offer different health benefit plan designs with varying premiums in different areas of the state. It also prohibits the PORAC Insurance and Benefits Trust and the California Correctional Peace Officer Association (CCPOA) Health Benefits Trust from using regions different than those established by the CalPERS Board for contracting agencies regional premiums, unless they only provide for a north and south geographic region.

Action Taken: Monitoring

Location Scheduled to be heard in the Senate Public Employment and Retirement Committee on April 9, 2018.

***SB 1285 (Stone)** Introduced: 2/16/2018

CalPERS Position: N/A

Sponsor: Author

Health Care Coverage: Advance Practice Pharmacist. Requires health care service plan contracts and health insurance policies issued, renewed, or amended on or after January 1, 2019 to cover services provided by an advanced practice pharmacist, including, but not limited to, comprehensive medication management services. It also specified that contracts with a pharmacy benefit management company and direct contract, for only prescription dispensing or related services are excluded from this requirement.

Action Taken: Monitoring

Location: Scheduled to be heard in the Senate Health Committee on April 25, 2018.

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

**Newly added to the Legislative Update Report*

***SJR 24 (Jackson)** Introduced: 3/20/2018

CalPERS Position: N/A

Sponsor: Author

Firearms Divestment. Urges CalPERS to divest all assets related to the production and sale of firearms. It also calls on Congress to reauthorize and strengthen the federal assault weapons ban and for the President to approve the Assault Weapons Ban of 2018.

Action Taken: Monitoring

Location: Scheduled to be heard in the Senate Public Safety Committee on April 10, 2018.

Inactive State Bills

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

CalPERS Position: N/A

Investment Return Guarantees for CalPERS Investments in California Infrastructure Projects.

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

CalPERS Position: N/A

Pharmacy Benefit Management.

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

CalPERS Position: N/A

California Pharmaceutical Collaborative.

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

CalPERS Position: N/A

The California Health Care Cost, Quality, and Equity Atlas.

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

CalPERS Position: N/A

Hospital Contracts.

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

CalPERS Position: N/A

The Healthy California Act.

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

CalPERS Position: N/A

Dodd-Frank Wall Street Reform and Consumer Protection Act.

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: 12/22/2017-Signed by the President.

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-Referred to the Senate Banking, Housing and Urban Affairs Committee.

H.R. 195 – Russell, Steve (R-OK) Introduced:1/3/2017

CalPERS Position: N/A

Extension of Short-Term Appropriations for Fiscal 2018. The measure extends stop-gap funding to keep the federal government fully operational until February 8, 2018. It also suspends or delays three health related taxes that were enacted as part of the Patient Protection and Affordable Care Act (PPACA), P.L. 111-148. Under the measure, the Cadillac Tax is extended for two more years until 2022; the current suspension on the Medical Device Tax is extended through December 31, 2019, with an effective date of December 31, 2017; and the Health Insurance Tax is suspended for one year until 2019.

Action Taken: Monitoring

Status: 1/22/2018-Signed by the President.

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: 2/21/2017-Read twice and referred to: House Ways and Means, Subcommittee on Social Security.

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

CalPERS Position: Support

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 Crapo and Brown requesting inclusion of H.R. 1312 in S. 2155 on December 4, 2017. Conducted educational briefings with relevant House and Senate committee members.

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

H.R. 1628 – Black, Diane (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-Considered by the Senate.

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

CalPERS Position: Support

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 Crapo and Brown requesting inclusion of H.R. 2864 in S. 2155 on December 4, 2017. Conducted educational briefings with relevant House and Senate committee members.

Status: 9/6/2017-Referred to the Senate Banking, Housing and Urban Affairs Committee.

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

CalPERS Position: Oppose

Corporate Governance Reform and Transparency Act. 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: 12/21/2017-Received in the Senate and referred to the Senate Banking, Housing and Urban Affairs 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 Crapo and Brown requesting inclusion of H.R. 4279 in S. 2155 on December 4, 2017. Conducted educational briefings with relevant House and Senate committee members.

Status: 1/18/2018 -Received in the Senate and referred to the Senate Banking, Housing and Urban Affairs Committee.

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

Cybersecurity Disclosure Act. 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 Banking, Housing and Urban Affairs. Hearing 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. 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: Senate 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
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: 9/26/2017-Measure, as amended, passed in the Senate by voice vote. 9/29/2017-Referred to the House Ways and Means Committee and the House Energy and Commerce Committee.

S. 915 – Brown, Sherrod (D-OH) Introduced:4/24/2017 CalPERS Position: N/A

Social Security Fairness Act. 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: Senate Finance.

S. 2155 – Crapo, Michael D. (R-ID) Introduced:11/16/2017

CalPERS Position: Support

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 Crapo and Brown requesting inclusion of certain bipartisan House bills, H.R. 1312, H.R. 2864, and H.R. 2479 on December 4, 2017. Conducted educational briefings with relevant House and Senate committee members.

Status: 3/22/2018- Senate Committee on Banking, Housing, and Urban Affairs. Hearing held. Senate passage on 3/14/2018.
