

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
2017-18 LEGISLATIVE SESSION  
STATE AND FEDERAL PROGRAM UPDATE  
STATUS AS OF JUNE 7, 2018**

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**Sponsored Bills**

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**AB 2196 (Cooper)** Introduced: 2/12/2018

CalPERS Position: Sponsor

**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: Scheduled to be heard in the Senate Public Employment and Retirement Committee on June 11, 2018*

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**AB 2415 (Calderon)** Introduced: 2/14/2018

CalPERS Position: Sponsor

**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.*

*Location: 6/7/2018- Senate Public Employment and Retirement Committee*

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

Amended: 4/9/2018

CalPERS Position: Sponsor

**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: 5/24/2018-Senate Rules*

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**SB 1022 (Pan)** Amended: 4/12/2018

CalPERS Position: Sponsor

**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 Capitol staff.*

*Location: Scheduled to be heard in the Assembly Public Employees, Retirement, and Social Security Committee on June 20, 2018*

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## Active State Bills

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**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: Scheduled to be heard in the Senate Health Committee on June 13, 2018*

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**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 Assemblymember*

*Location: 7/14/2017-Sentate Public Employment and Retirement Committee*

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**AB 1912 (Rodriguez)** Amended: 5/9/2018

CalPERS Position: N/A

Sponsor: SEIU

**Retirement Contracting Requirements for Joint Powers Authorities (JPAs).** Among other things, requires a Joint Powers Authority (JPA) that currently participates in a public retirement system to specify in its joint powers agreement the apportionment of JPA retirement obligations to the retirement system among the member agencies, as specified. It also requires the California Public Employees' Retirement System (CalPERS) Board of Administration (Board) to apportion those liabilities among the member agencies when they fail to reach agreement, as specified. In addition, the bill prohibits CalPERS from contracting with a JPA whose member agencies do not accept joint and several liability, and extends CalPERS lien authority to member agencies of a JPA that terminates its contract. It also requires CalPERS to consider and exhaust all options and necessary actions prior to reducing members' retirement benefits to be paid from the Terminated Agency Pool (TAP).

*Action Taken: Engaging with stakeholder groups and Capitol staff.*

*Location: Scheduled to be heard in the Senate Public Employment and Retirement Committee on June 11, 2018*

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**AB 2193 (Maienschein)** Amended: 4/30/2018

CalPERS Position: N/A

Co-Sponsors: 2020 Mom and Maternal Mental Health Now

**Health Care Coverage: Maternal Mental Health Screening.** The most recent amendments removed a requirement that health care service plan contracts and health insurance policies issued, renewed, or amended on or after January 1, 2019 cover maternal mental health conditions. It now requires health plans and insurers to report specified information to existing quality management programs, and requires the information to be used to develop resources to ensure contracting obstetric providers receive screening support and to ensure services are delivered consistent with good professional practice, as specified. It also requires obstetrician-gynecologists (ob/gyns) and health care providers overseen by ob/gyns to screen a mother for maternal mental health conditions during pregnancy or during the postpartum period, or both, unless the ob/gyn or health care providers has received confirmation from a treating psychiatrist that the mother will remain under the treating psychiatrist's care during pregnancy and the postpartum period, as applicable, and to report the screening results to the patient's primary care provider.

*Action Taken: This bill will be removed from the legislative state program update because it no longer mandates health coverage for specified conditions.*

*Location: 6/4/2018-Senate Rules*

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**AB 2310 (Aguiar-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: Scheduled to be heard in the Senate Public Employment and Retirement Committee on June 11, 2018*

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**AB 2342 (Burke)** Amended: 5/25/2018

CalPERS Position: N/A

Sponsor: City of Los Angeles

**Breast and Ovarian Cancer Susceptibility Screening.** Requires health care service plan contracts and health insurance policies issued, renewed, or amended on or after January 1, 2019 to cover breast and ovarian cancer susceptibility screening as recommend by the United States Preventative Services Task Force.

*Action Taken: Monitoring*

*Location: 6/4/2018-Senate Rules*

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**AB 2384 (Arambula)** Amended: 5/25/2018

CalPERS Position: N/A

Sponsor: California Medical Association

**Health Care Coverage: Medication-Assisted Treatment.** Requires, until January 1, 2030, 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: 6/4/2018-Senate Rules*

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**AB 2643 (Irwin)** Amended: 4/26/2018

CalPERS Position: N/A

Co-Sponsors: 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: This bill will be removed from the legislative state program update because it did not meet the legislative calendar deadline.*

*Location: 5/25/2018-Assembly Dead. Failed Deadline pursuant to Rule 61(b)(8)*

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**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: Scheduled to be heard in the Senate Public Employment and Retirement Committee on June 25, 2018*

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**AB 2731 (Gipson)** Amended: 5/25/2018

CalPERS Position: N/A

Co-Sponsors: United Teachers Los Angeles; Alliance of Californians for Community Empowerment; Hedge Clippers; Patriotic Millionaires; LA Alliance for a New Economy; Students Deserve

**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. Requires that moneys derived from the imposition of the state tax be deposited in the newly established College, Career, and Community Ready Fund, to be apportioned by the State Department of Education to local educational agencies. 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. As an urgency measure, its provisions would take effect immediately.

*Action Taken: Monitoring*

*Location: 5/25/2018-Assembly Rules*

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**AB 2741 (Burke)** Amended: 5/24/2018

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 verbal consent from the minor's parent or guardian.

*Action Taken: Monitoring*

*Location: Scheduled to be heard in the Senate Business, Professions and Economic Development Committee on June 11, 2018*

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**AB 3084 (Levine)** Amended: 4/10/2018

CalPERS Position: N/A

Sponsor: Author

**Public Agency Annual Report: Funding of Other Postemployment Benefits (OPEB).** Requires the governing body of a public agency to include in their annual financial statement, specified information regarding OPEB prefunding.

*Action Taken: This bill will be removed from the legislative state program update because it did not meet the legislative calendar deadline.*

*Location: 5/25/2018-Assembly Dead. Failed Deadline pursuant to Rule 61(b)(8)*

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**AB 3087 (Katra)** Amended: 5/2/2018

CalPERS Position: N/A

Co-Sponsors: CA Labor Federation; CA Teamsters Public Affairs Council; Health Access; SEIU State Council; UNITE HERE

**California Health Care Cost, Quality, and Equity Commission.** Among other things, establishes the California Health Care Cost, Quality, and Equity Commission (Commission) as an independent state agency under the authority of a nine-member governing body, including an appointee of the CalPERS Board of Administration, to control in-state health care costs. It requires the Commission to establish, beginning July 1, 2019 and annually thereafter, the base amounts accepted as payment by health plans, hospitals, physicians, and other providers of health care services, as specified, and establishes an appeals process for health plans and providers to seek adjustments. It also requires the Commission to annually identify total health care expenditures and establish a global cap, as specified, and report to the Legislature on its progress towards achieving the cap. In addition, it requires the Commission to convene a fifteen-member advisory committee, including a CalPERS representative, to seek stakeholder input and make recommendations to the Commission, as specified.

*Action Taken: This bill will be removed from the legislative state program update because it did not meet the legislative calendar deadline.*

*Location: 5/25/2018-Assembly Dead. Failed Deadline pursuant to Rule 61(b)(8)*

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**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*

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**\*AJR 41 (Thurmond)** Introduced: 5/29/2018

CalPERS Position: N/A

Sponsor: Author

**GPO/WEP Repeal.** Requests the United States Congress to pass and the President to sign legislation to repeal the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP) from the Social Security Act, which impacts state and local government retirees that have earned pensions through employment not coordinated with Social Security.

*Action Taken: Monitoring*

*Location: 6/4/2018-Assembly Public Employees, Retirement, and Social Security Committee*

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**\*SB 459 (Portantino)** Amended: 5/8/2018

CalPERS Position: N/A

Sponsor: CA State Treasurer John Chiang

**Engagement and Divestment of Banned Weapons.** Requires the CalPERS Board of Administration and the Teachers' Retirement Board to adopt an investment policy regarding companies that are retailers or wholesalers of banned weapons, by July 1, 2019. The policy shall include the following steps: a limited timeframe of engagement seeking the voluntary removal of these weapons from the stock of items sold by these companies; if the engagement is unsuccessful, the boards shall approve proxy voting against any company that failed to remove these weapons from its stock, and; if proxy voting is not successful, the boards shall adopt a divestment action and shall divest from the company by July 1, 2021.

*Action Taken: Monitoring*

*Location: Scheduled to be heard in the Assembly Public Employees, Retirement, and Social Security Committee on June 20, 2018*

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**SB 656 (Moorlach)** Amended: 6/7/2018

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: Monitoring*

*Location: Scheduled to be heard in the Assembly Public Employees, Retirement, and Social Security Committee on June 20, 2018*

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**\*SB 783 (Pan)** Amended: 5/17/2018

CalPERS Position: N/A

Sponsor: Author

**Commission on Pension Investment, Divestment and Engagement.** Creates the Commission on Pension Investment, Divestment and Engagement (Commission) in the State Controller's office to produce analysis and data on any divestment-related legislation affecting CalPERS and the California State Teachers' Retirement System (CalSTRS) within sixty days of a request by specified members of the Legislature. It specifies the Commission to be made up of the following members: a rotating investment portfolio manager from CalPERS (even years) and CalSTRS (odd years); the Director of Finance; the Legislative Analyst; an actuary chosen by the California Actuarial Advisory Panel; and a person chosen by the Chairs of the Senate PE&R and Assembly PER&SS Committees. It also establishes the Divestment Proposal Research Fund in the General Fund at a cost of \$2 million for the 2018-19 fiscal year to support the Commission.

*Action Taken: Monitoring*

*Location: Scheduled to be heard in the Assembly Public Employees, Retirement, and Social Security Committee on June 20, 2018*

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

CalPERS Position: N/A

Co-Sponsors: 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: 5/29/2018-Assembly Desk*

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**SB 984 (Skinner)** Amended: 5/25/2018

CalPERS Position: N/A

Sponsor: Author

**Gender Representation on Appointed State Boards and Commissions.** Requires the composition of each appointed state board and commission to have a specified minimum number of women board members or commissioners based on the total number of board members or commissioners. It also requires the office of the Governor to collect and release aggregated demographic data provided by board and commission applicants, nominees, and appointees.

*Action Taken: Monitoring*

*Location: 5/30/2018-Assembly Desk*

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**SB 1021 (Wiener)** Amended: 5/23/2018

CalPERS Position: N/A

Sponsor: Health Access

**Prescription Drug Coverage.** Among other things, 1) requires, until January 1, 2023, health plans and health insurers to cover a single-tablet drug regimen for treatment and prevention of HIV/AIDS; 2) extends, from January 1, 2020 to January 1, 2024, existing law that limits cost sharing for covered outpatient prescription drugs to \$250/\$500 for a 30-day supply; 3) prohibits health plans from having more than four drug formulary tiers; and 4) codifies an existing the Department of Managed Health Care regulation that caps the copays at the pharmacy's retail price if the prescription drug is less than the applicable copayment or coinsurance.

*Action Taken: Monitoring*

*Location: 6/4/2018-Assembly Health Committee*

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**SB 1085 (Skinner)** Amended: 5/29/2018

CalPERS Position: N/A

Sponsor: SEIU

**Public Employee Leaves of Absence to Perform Union Duties.** Among other things, requires public employers to grant leaves of absence to employees serving as stewards or officers of an employee organization, or of any affiliated statewide or national employee organization, without loss of compensation, benefits, seniority, rank or classification. Requires any reimbursement to the public employer by the employee organization as specified. It also requires that compensation must include the employer's retirement fund contributions, and that the employee will earn full service credit during the leave and pay his or her employee retirement contributions.

*Action Taken: Monitoring**Location: Scheduled to be heard in the Assembly Public Employees, Retirement, and Social Security Committee on June 20, 2018*

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**SB 1124 (Leyva)** Amended: 5/25/2018

CalPERS Position: N/A

Sponsor: California Professional Firefighters

**Administration of Reportable Compensation.** Among other things, requires CalPERS to review and certify provisions of any memoranda of understanding (MOUs) entered into on or after January 1, 2019 for compliance with specified statutes and regulations that identify allowable elements of reportable compensation when submitted by the State and contracting agencies. In the case of an active State or contracting agency member covered by an MOU entered into before that date, it requires the employer to discontinue reporting compensation that conflicts with the provisions of all applicable laws and regulations, and provides for the return of contributions, as specified. The bill also requires the ongoing allowances of all similarly situated retired members and beneficiaries whose benefits have, or may in the future, be reduced because they were predicated on disallowed compensation, to remain unchanged under specified conditions. In addition, it requires the former employer to make direct payment for the cost of the prior benefit paid, and pay projected cost of the ongoing benefit, as specified.

*Action Taken: Monitoring**Location: 5/30/2018-Assembly Desk*

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**SB 1166 (Pan)** Amended: 5/24/2018

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 its current and past employees by mail within 30 days of its delinquent payment, as specified.

*Action Taken: Monitoring**Location: Scheduled to be heard in the Assembly Public Employees, Retirement, and Social Security Committee on June 20, 2018*

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**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 Assembly Public Employees, Retirement, and Social Security Committee on June 20, 2018*

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**SB 1413 (Nielsen)** Amended: 5/25/2018

CalPERS Position: Support, if Amended

Sponsor: Author

**California Employers' Pension Prefunding Trust Program.** Establishes the California Employers' Pension Prefunding Trust (CEPPT) program to allow state and local public agency employers who provide a defined benefit pension plan to their employees to prefund their required pension contributions. It gives the CalPERS Board of Administration (Board) the authority to administer and invest the CEPPT Fund under the requirements of Section 115 of the Internal Revenue Code (IRC) and establishes the requirements for employer participation and the conditions under which a participating employer can terminate participation or transfer funds. In addition, it requires the Board to offer four specified investment options for funds in the CEPPT and authorizes the Board to adopt emergency regulations necessary for implementation. It also makes an appropriation of \$695,140 to fund CalPERS development and implementation of the CEPPT.

*Action Taken: Engaging with stakeholder groups and Capitol staff.**Location: 5/30/2018-Assembly Desk*

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**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*

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**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*

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**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*

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**SJR 24 (Jackson)** Amended: 4/12/2018

CalPERS Position: N/A

Sponsor: Author

**Firearms Engagement and Divestment.** Urges CalPERS to engage with portfolio companies that produce or sell firearms to determine a reasonable method for them to withdraw from the production and sale of firearms, or if they refuse to engage, develop a plan to divest from those companies. 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: 6/4/2018-Assembly Public Safety Committee*

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**Inactive State Bills**

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<b>AB 161 (Levine)</b> Introduced: 1/13/2017	CalPERS Position: N/A
<b>Investment Return Guarantees for CalPERS Investments in California Infrastructure Projects.</b>	
<b>AB 315 (Wood)</b> Amended: 7/11/2017	CalPERS Position: N/A
<b>Pharmacy Benefit Management.</b>	
<b>AB 587 (Chiu)</b> Amended: 7/12/2017	CalPERS Position: N/A
<b>California Pharmaceutical Collaborative.</b>	
<b>SB 199 (Hernandez)</b> Amended: 3/30/2017	CalPERS Position: N/A
<b>The California Health Care Cost, Quality, and Equity Atlas.</b>	
<b>SB 538 (Monning)</b> Amended: 5/26/2017	CalPERS Position: N/A
<b>Hospital Contracts.</b>	
<b>SB 562 (Lara)</b> Amended: 5/26/2017	CalPERS Position: N/A
<b>The Healthy California Act.</b>	
<b>SB 1060 (Mendoza)</b> Introduced: 2/12/2018	CalPERS Position: N/A
<b>Member Notification for Delinquent Payments by Contracting Agencies.</b>	
<b>SB 1062 (Mendoza)</b> Introduced: 2/12/2018	CalPERS Position: N/A
<b>Member Notification for Delinquent Payments by CalPERS and CalSTRS Employers.</b>	
<b>SR 45 (Mendoza)</b> Introduced: 6/14/2017	CalPERS Position: N/A
<b>Dodd-Frank Wall Street Reform and Consumer Protection Act.</b>	

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## Federal Bills

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**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.*

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**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: 6/13/2017 — Referred to the Senate Banking, Housing and Urban Affairs Committee.*

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**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.*

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**H.R. 435 – Ellison, Keith (D-MN)** Introduced:1/11/2017

CalPERS Position: Support

**Credit Access and Inclusion Act of 2017.** This bill amends the Fair Credit Reporting Act to allow the reporting of certain positive consumer-credit information to consumer reporting agencies. Specifically, a person or the Department of Housing and Urban Development may report information related to a consumer's performance in making payments either under a lease agreement for a dwelling or pursuant to a contract for a utility or telecommunications service. However, information about a consumer's usage of any utility or telecommunications service may be reported only to the extent that the information relates to payment by the consumer for such service or other terms of the provision of that service. Furthermore, an energy-utility firm may not report a consumer's outstanding balance as late if the firm and the consumer have entered into a payment plan and the consumer is meeting the obligations of that plan.

*Action Taken: Sent letter to House Majority Leader Kevin McCarthy and House Minority Leader Nancy Pelosi urging a bipartisan approach to considerations in S. 2155 and expressed support for H.R. 435 on May 17, 2018.*

*Status: 2/16/2018 — Reported to the House amended by the House Financial Services Committee and placed on the Union Calendar.*

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**H.R. 1205 – Davis, Rodney (R-IL)** Introduced:2/21/2017

CalPERS Position: N/A

**Social Security Fairness Act.** 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.*

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

CalPERS Position: Support

**Small Business Capital Formation Enhancement Act.** 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 Senators 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.*

*5/24/2018 — Another bill, S. 2155, which is described below, incorporated H.R. 1312 and was signed by the President.*

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**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.*

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**H.R. 1892 – Larson, John B. (D. CT)** Introduced:4/4/2017

CalPERS Position: N/A

**Bipartisan Budget Act of 2018.** Among other things, this bill amends 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: 2/09/2018 — Signed by the President.*

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**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 Senators 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.*

*5/24/2018 — Another bill, S. 2155, which is described below, incorporated H.R. 2864 and was signed by the President.*

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**H.R. 3903 – Budd, Ted (R-NC)** Introduced:10/2/2017

CalPERS Position: Support

**Encouraging Public Offerings Act of 2017.** This bill amends the Securities Act of 1933 to allow an issuer of securities to communicate with potential investors to ascertain interest in a contemplated securities offering, either before or after the filing of a registration statement (i.e., "test the waters"). Under current law, only emerging growth companies may engage in such communications. The bill also allows an issuer to submit a confidential draft registration statement to the Securities and Exchange Commission for review prior to public filing or within one year after the initial public offering or registration.

*Action Taken: Sent letter to House Majority Leader Kevin McCarthy and House Minority Leader Nancy Pelosi urging a bipartisan approach to considerations in S. 2155 and expressed support for H.R. 3903 on May 17, 2018.*

*Status: 11/2/2017 — Received in the Senate and referred to the Senate Banking, Housing and Urban Affairs Committee.*

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**H.R. 3973 – Duffy, Sean P. (R-WI)** Introduced:10/5/2017

CalPERS Position: Support

**Market Data Protection Act of 2017.** This bill amends the Securities Exchange Act of 1934 to require the Securities and Exchange Commission, the Financial Industry Regulatory Authority, and the operator of the consolidated audit trail (a database that tracks trading in equities and options markets) to develop internal risk control mechanisms to protect stored market data. The operator of the consolidated audit trail may not accept market data until these mechanisms are developed.

*Action Taken: Sent letter to House Majority Leader Kevin McCarthy and House Minority Leader Nancy Pelosi urging a bipartisan approach to considerations in S. 2155 and expressed support for H.R. 3973 on May 17, 2018.*

*Status: 11/14/2017 — Received in the Senate and referred to the Senate Banking, Housing and Urban Affairs Committee.*

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**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.*

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

CalPERS Position: Support

**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 Senators 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.*

*5/24/2018 — Another bill, S. 2155, which is described below, incorporated H.R. 4279 and was signed by the President.*

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**H.R. 4292 – Zeldin, Lee (R-NY)** Introduced:11/7/2017

CalPERS Position: Support

**Financial Institution Living Will Improvement Act.** H.R. 4292 amends the Dodd-Frank Wall Street Reform and Consumer Protection Act to reform the resolution plan submission (“living will”) process by requiring bank holding companies to submit to the Federal Reserve Board (Federal Reserve) and the Federal Deposit Insurance Corporation (FDIC) resolution plans every two years. This bill also requires the Federal Reserve and FDIC to provide feedback regarding a submitted resolution plan within six months after a bank holding company submission. This bill also requires the Federal Reserve and FDIC to publicly disclose the assessment framework used to review the adequacy of resolution plans.

*Action Taken: Sent letter to House Majority Leader Kevin McCarthy and House Minority Leader Nancy Pelosi urging a bipartisan approach to considerations in S. 2155 and expressed support for H.R. 4292 on May 17, 2018.*

*Status: 2/05/2018 — Received in the Senate and referred to the Senate Banking, Housing and Urban Affairs Committee.*

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**H.R. 4792 – Velázquez, Nydia M. (D-NY)** Introduced:1/12/2018

CalPERS Position: Support

**Small Business Access to Capital After a Natural Disaster Act.** This bill amends the Securities Exchange Act of 1934 to require the Advocate for Small Business Capital Formation within the Securities and Exchange Commission to report on issues encountered by small businesses affected by hurricanes or other natural disasters.

*Action Taken: Sent letter to House Majority Leader Kevin McCarthy and House Minority Leader Nancy Pelosi urging a bipartisan approach to considerations in S. 2155 and expressed support for H.R. 435 on May 17, 2018.*

*Status: 1/30/2018 – Received in the Senate and referred to the Senate Banking, Housing and Urban Affairs Committee.*

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**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 Senators Reed on July 26, 2017.*

*Status: 5/24/2018 — Senate Banking, Housing and Urban Affairs. Hearing held.*

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**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: Senate Finance.*

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**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: 9/26/2017 — 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.*

*Status: 2/09/2018 — H.R. 1892, which incorporated S. 870, signed by the President.*

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**S. 915 – Brown, Sherrod (D-OH)** Introduced:4/24/2017

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: Senate Finance.*

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

CalPERS Position: Support

**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 Senators 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. Sent letter to House Majority Leader Kevin McCarthy and House Minority Leader Nancy Pelosi urging a bipartisan approach to considerations in S. 2155 on May 17, 2018.*

*Status: 5/24/2018 — Signed by the President.*

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