

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
2017-18 LEGISLATIVE SESSION
STATE AND FEDERAL PROGRAM UPDATE
STATUS AS OF AUGUST 2, 2018**

Sponsored Bills

AB 2196 (Cooper) Amended: 6/13/2018

CalPERS Position: Sponsor

Discontinuing Installment Payments Into Retirement. Requires a member that elects to purchase or convert service credit on or after January 1, 2020, 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: 7/3/2018-Assembly Concurrence

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: Scheduled to be heard in the Senate Appropriations Committee on August 6, 2018.

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 Capitol staff.

Location: 5/24/2018-Senate Rules Committee

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 Appropriations Committee on August 8, 2018.

Active State Bills

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: Scheduled to be heard in the Senate Appropriations Committee on August 13, 2018.

AB 595 (Wood) Amended: 6/21/2018

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 of the transaction or agreement from the Director of the Department of Managed Health Care (DMHC). It allows the Director to disapprove the transaction or agreement 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 or agreement if the parties commit to fulfill one or more conditions that benefits subscribers and enrollees, provide for a stable health care delivery system, and other conditions specific to the transaction or agreement. It also requires the DMHC to hold a public meeting on the proposed transaction or agreement and requires the Director to issue a statement prior to the meeting if he or she has determined that a material amount of the health plan's assets is subject to purchase, acquisition, or control.

Action Taken: Monitoring

Location: Scheduled to be heard in the Senate Appropriations Committee on August 6, 2018.

AB 1597 (Nazarian) Amended: 7/3/2018

CalPERS Position: Oppose

Sponsor: Author

Divestment from Turkish Investment Vehicles. Among other things, requires the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS) to divest from any investment vehicle in Turkey that is issued, owned, controlled, or managed by the government of Turkey, upon the passage of a federal law imposing sanctions on the government of Turkey for failure to acknowledge the Armenian Genocide, as specified.

Action Taken: Engaging with Assemblymember

Location: Scheduled to be heard in the Senate Appropriations Committee on August 6, 2018.

AB 1912 (Rodriguez) Amended: 7/3/2018

CalPERS Position: Support, if Amended

Sponsor: SEIU

Retirement Contracting Requirements for Joint Powers Authorities (JPAs). Among other things, AB 1912 would require the member agencies of a Joint Powers Authority (JPA) that participates in a public retirement system to reach mutual agreement on the apportionment of JPA retirement obligations to the retirement system prior to the termination of its retirement contract, as specified. It also requires a retirement board to apportion those liabilities among the member agencies when they fail to reach agreement, and authorizes the member agencies to challenge that apportionment through arbitration, as specified. AB 1912 extends the California Public Employees Retirement System's (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 retirement benefits paid to former employees of JPAs from the Terminated Agency Pool.

Action Taken: Engaging with stakeholder groups and Capitol staff.

Location: Scheduled to be heard in the Senate Appropriations Committee on August 6, 2018.

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: 6/26/2018-Senate Third Reading

AB 2342 (Burke) Amended: 7/2/2018

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 be deemed to cover breast and ovarian cancer susceptibility screening as recommend by the United States Preventative Services Task Force.

Action Taken: Monitoring

Location: Scheduled to be heard in the Senate Appropriations Committee on August 6, 2018.

AB 2384 (Arambula) Amended: 7/3/2018

CalPERS Position: N/A

Sponsor: California Medical Association

Health Care Coverage: Medication-Assisted Treatment. Requires, until January 1, 2024, health care service plans and health insurers that cover prescription drugs to cover, at least one version of each of the specified medications approved by the Food and Drug Administration (FDA) for use in medication-assisted treatment (MAT) for opioid use disorders. It allows substitution to an equivalent FDA-approved drug for MAT and serves the same medical function as the drug being substituted. It prohibits only one version of each of the specified medication, identified by a health care service plan and health insurer, from being subject to various drug utilization strategies and policies. It also specifies that the requirements of this bill only apply to an FDA-approved drug for use in MAT for opioid use disorder that an enrollee or insured is being prescribed as of January 1, 2019, or, for a new enrollee or insured, that he or she is being prescribed at the time of enrollment.

Action Taken: Monitoring

Location: Scheduled to be heard in the Senate Appropriations Committee on August 6, 2018.

AB 2696 (Rodriguez) Amended: 6/14/2018

CalPERS Position: N/A

Sponsor: Author

Penalties for Out-of-Class Appointments. Increases penalties in existing law for temporary appointments of CalPERS school and contracting agency members to positions that are vacant during recruitment for a permanent appointee that exceed 960 hours per fiscal year. Specifically, it requires an employer that violates these provisions to pay the System three times the difference between the employee and employer contributions on compensation that would have been paid and reported to the System for the vacant position as provided by a publicly available pay schedule, and the contributions the employer reported for the member's temporary position for the entire period or periods the member serves in the out-of-class appointment.

Action Taken: Monitoring

Location: 5/3/2018-Senate Appropriations Committee

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 Committee

AB 2741 (Burke) Amended: 6/13/2018

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

Location: 6/29/2018-Senate Dead. Failed Deadline pursuant to Rule 61(b)(13)

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

**Newly added to the Legislative Update Report*

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: Scheduled to be heard in the Senate Public Employment and Retirement Committee on August 13, 2018.

SB 459 (Portantino) Amended: 6/12/2018

CalPERS Position: N/A

Sponsor: CA State Treasurer John Chiang

Engagement and Divestment of Banned Weapons. Requires the CalPERS Board of Administration (Board) to adopt an investment policy regarding companies that are retailers or wholesalers of weapons banned for possession or sale by the State of California on or before July 1, 2019. It also requires the policy to specify 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, it requires the Board to approve proxy voting against any company that failed to remove banned weapons from its stock, and; if proxy voting is not successful, requires the Board to take action to divest from the company and complete divestment by July 1, 2021.

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

Location: 6/29/2018-Assembly Dead. Failed Deadline pursuant to Rule 61(b)(13)

SB 656 (Moorlach) Amended: 7/2/2018

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 Appropriations Committee on August 8, 2018.

SB 783 (Pan) Amended: 6/14/2018

CalPERS Position: Oppose

Sponsor: Author

Pension Divestment Review Program. Requests the University of California establish the Pension Divestment Review Program (Program) pursuant to its provisions, to produce specified written analysis and relevant data on any divestment-related legislation that impacts the California Public Employees Retirement System (CalPERS) and the California State Teachers Retirement System (CalSTRS). It requires the Program to produce its analysis within 60 days of a request by the President pro Tempore of the Senate, Speaker of the Assembly, chairperson of the Senate Committee on Public Employment and Retirement, or chairperson of the Assembly Committee on Public Employment, Retirement and Social Security. It makes findings and declarations that, among other things, the Legislature should take into account CalPERS' and CalSTRS' funding levels when considering divestment proposals. In addition, it expresses Legislative intent that divestment proposals should only be considered under specified conditions. It also appropriates \$2 million from the General Fund for Fiscal Year 2018-19 to support the Program, into a newly established Divestment Proposal Research Fund.

*Action Taken: Engaging with Capitol staff.**Location: Scheduled to be heard in the Assembly Appropriations Committee on August 8, 2018.*

***SB 826 (Jackson)** Amended: 5/25/2018

CalPERS Position: N/A

Gender Diversity on Corporate Boards. Among other things, requires publicly held corporations whose principal executive offices are located in California, to have at least one female director on its board of directors by the end of the 2019 calendar year, and to have at least two female directors on boards with five directors, or three female directors on boards with six or more directors by the end of the 2021 calendar year. It also requires the Secretary of State (SOS) to post a report on its website documenting the number of publicly held corporations whose principal executive offices are located in California and who have at least one female director by July 1, 2019, and thereafter post an annual compliance report, as specified. The bill also permits the SOS to impose fines for violations of its provisions, as specified.

*Action Taken: Monitoring**Location: Scheduled to be heard in the Assembly Appropriations Committee on August 8, 2018.*

***SB 866 (Committee on Budget and Fiscal Review)**

Chaptered: 6/27/2018

CalPERS Position: N/A

Sponsor: Author

Employment Budget Trailer Bill. Among other things, allows the Director of the California Department of Human Resources (CalHR) to establish the total employee contribution toward prefunding state retiree health care coverage under the CalPERS Annuitant's Health Care Coverage Fund, for state employees who are not represented by a bargaining unit and executive branch officers and employees who are not a member of the civil service, with the goal of reaching a 50-percent cost sharing of actuarially determined normal costs by July 1, 2020 and requires matching state contributions. It also requires CalPERS to provide retiree names and addresses to CalHR for the purposes of notifying those retirees of their eligibility for enrollment into specified benefit programs offered by CalHR. The bill specifies any information provided to CalHR must be treated as confidential by the department.

*Action Taken: Implementation**Location: Chaptered by the Secretary of State, Chapter 53, Statutes of 2018*

**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 Assembly Appropriations Committee on August 8, 2018.

SB 984 (Skinner) Amended: 7/3/2018

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: Scheduled to be heard in the Assembly Appropriations Committee on August 8, 2018.

SB 1021 (Wiener) Amended: 6/14/2018

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: Scheduled to be heard in the Assembly Appropriations Committee on August 8, 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: This bill will be removed from the legislative state program update because it did not meet the legislative calendar deadline.

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

Location: 2/12/2018-Senate Rules Committee

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 Appropriations Committee on August 8, 2018.

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: Engaging with stakeholder groups and Capitol staff.

Location: 6/20/2018-Assembly Appropriations Committee

***SB 1156 (Leyva)** Amended: 7/3/2018

CalPERS Position: N/A

Sponsor: Author

Health care service plans: third-party payments. Among other things, establishes reporting requirements for financially-interested third-party entities, as defined, prohibits them from making a premium payment unless it discloses the enrollee's name to a health care service plan in advance, and limits any reimbursements to the enrollee's policy rate or the Medicare rate, whichever is lower. It also allows the health care service plan to recover any payment differences from the third-party payor, and provides for fines on health care providers equal to 20 percent of any overpayment.

Action Taken: Monitoring

Location: Scheduled to be heard in the Assembly Appropriations Committee on August 8, 2018.

SB 1166 (Pan) Amended: 6/18/2018

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 payment becoming delinquent, as specified.

Action Taken: Monitoring

Location: Scheduled to be heard in the Assembly Appropriations Committee on August 8, 2018.

**Newly added to the Legislative Update Report*

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 Appropriations Committee on August 8, 2018.

SB 1413 (Nielsen) Amended: 6/21/2018

CalPERS Position: Support

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 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, for funds in the CEPPT, cost-effective, diversified investment options that do not exceed the risk and return profiles of CalPERS California Employers' Retiree Benefit Trust 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: Scheduled to be heard in the Assembly Appropriations Committee on August 8, 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: Scheduled to be heard in the Senate Public Employment and Retirement Committee on August 13, 2018.

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: Scheduled to be heard in the Senate Public Employment and Retirement Committee on August 13, 2018.

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: 6/7/2018-Assembly Public Employees, Retirement, and Social Security Committee

Inactive State Bills

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.

AB 1832 (Committee on Budget) Amended: 6/13/2018 CalPERS Position: N/A

Employment Budget Trailer Bill.

SB 199 (Hernandez) Amended: 3/30/2017 CalPERS Position: N/A

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

SB 538 (Monning) Amended: 6/11/2018 CalPERS Position: N/A

Hospital Contracts.

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

Location: 6/29/2018-Assembly Dead. Failed Deadline pursuant to Rule 61(b)(13)

SB 562 (Lara) Amended: 5/26/2017 CalPERS Position: N/A

The Healthy California Act.

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

Location: 6/29/2018-Assembly Dead. Failed Deadline pursuant to Rule 61(b)(13)

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: 6/13/2017 — 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. 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 expressing support for H.R. 435 on May 17, 2018.

Status: 6/26/2018 — Reviewed in the Senate and referred to the Senate Banking, Housing and Urban Affairs Committee.

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 the House Ways and Means Committee, Subcommittee on Social Security.

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.

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 Finance Committee Chairman Orrin Hatch on May 23, 2017.

Status: 7/28/2017 — Considered by the Senate.

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.

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.

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.

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.

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: 6/28/18 — Senate Banking, Housing, and Urban Affairs Committee. Hearing held.

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.

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

CalPERS Position: Support

Financial Institution Living Will Improvement Act. This bill 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.

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.

H.R. 6290 – Nunes, Devin (R-CA) Introduced:6/28/2018

CalPERS Position: N/A

Public Employee Pension Transparency Act (PEPTA). This bill amends the Internal Revenue Code of 1986 to provide for reporting and disclosure by State and local public employee retirement pension plans. This bill would require state and local pension plans to disclose their liabilities based on U.S. Treasury rates in a uniform and transparent manner to the U.S. Secretary of the Treasury each plan year beginning on or after January 1, 2019, require the Secretary of the Treasury to provide these disclosures to the public through a searchable website, and eliminate the federal tax-exempt bonding authority of state and local governments that do not comply with these requirements.

The bill also states that the federal government will not be liable for any current or future obligation shortfall in any state or local pension plan.

Action Taken: Sent letter of concern to the California Delegation of the House Democratic Caucus on July 26, 2018.

Status: 6/28/2018 – Read twice and referred to the House Ways and Means 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 Senators Reed on July 26, 2017.

Status: 6/28/2018 — Senate Banking, Housing and Urban Affairs Committee. 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 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 Finance Committee.

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.

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 the Senate Finance Committee.

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.
