

**Public Employees' Retirement System  
Board of Administration  
2019-2020 Legislative Session  
State and Federal Update  
Status as of February 5, 2019**

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**Active State Bills**

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**AB 33 (Bonta)** Introduced: 12/3/2018

CalPERS Position: N/A

**Private Prison Divestment.** Prohibits the California Public Employees' Retirement System and the California State Teachers' Retirement System from making new investments in companies that generate the majority of their revenue from operating, managing or contracting as a prison or detention center, and requires liquidation of existing investments on or before July 1, 2020.

*Action Taken: Monitoring*

*Location: 1/17/2019-Assembly Public Employment and Retirement Committee*

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**AB 181 (Rodriguez)** Introduced: 1/9/2019

CalPERS Position: N/A

**Emerging and Transition Investment Manager 5-Year Plan.** Requires the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System to each define the term "emerging manager" and produce a 5-year strategic plan for emerging investment managers' participation across all asset classes. It also requires CalPERS to define the term "transition manager" and address their participation in its plan. The bill would require each retirement system to submit an annual report to the Legislature, until January 1, 2024.

*Action Taken: Monitoring*

*Location: 1/24/2019-Assembly Public Employment and Retirement Committee*

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**AB 190 (Ting)** Introduced: 1/10/2019

CalPERS Position: N/A

**Budget Act of 2019.** Makes appropriations for the support of state government for the 2019-2020 fiscal year.

*Action Taken: Monitoring*

*Location: 1/24/2019-Assembly Budget Committee*

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**AB 287 (Voepel)** Introduced: 1/28/2019

CalPERS Position: N/A

**Retirement System Annual Investment Report.** Requires each state and local retirement system to post on its Internet website, a report of its investments and earnings within 90 days of completing its annual audit.

*Action Taken: Monitoring*

*Location: 1/28/2019-Assembly Print*

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**AB 290 (Wood)** Introduced: 1/28/2019

CalPERS Position: N/A

**Health Care Service Plans: Third-Party Payments.** Among other things, establishes reporting requirements for financially-interested third-party entities and prohibits them from making a premium payment unless it discloses the enrollee's name to the health care service plan in advance. It limits any reimbursements to the enrollee's policy rate or the Medicare rate, whichever is lower. If the third-party payor does not meet the disclosure requirements, it allows the health care service plan to recover 120 percent of the payment differences from the health care provider, as specified.

*Action Taken: Monitoring*

*Location: 1/28/2019-Assembly Print*

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**AB 312 (Cooley)** Introduced: 1/29/2019

CalPERS Position: N/A

**State Agency Regulatory Reform.** Requires all state agencies to review its respective regulations, to update or repeal any regulation that is duplicative, overlapping, inconsistent or out of date on or before January 1, 2022, and to report to the Governor and Legislature its compliance with this law.

*Action Taken: Monitoring*

*Location: 1/29/2019-Assembly Print*

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**SB 73 (Mitchell)** Introduced: 1/10/2019

CalPERS Position: N/A

**Budget Act of 2019.** Makes appropriations for the support of state government for the 2019-2020 fiscal year.

*Action Taken: Monitoring*

*Location: 1/10/2019-Senate Budget and Fiscal Review Committee*

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**SB 163 (Portantino)** Introduced: 1/24/2019

CalPERS Position: N/A

**Behavioral Health Treatment Coverage for Pervasive Developmental Disorder or Autism.** Among other things, expands the definition of behavioral health treatment for autism to require the services and treatment programs provided to be based on behavioral, developmental, behavior-based, or other evidence-based models. It also prohibits health plans and insurers from denying or reducing medically necessary behavioral health treatment based solely on the setting, location, or time of treatment, or on a lack of parent caregiver participation if a hardship exists, it expands the definition of qualified autism service professionals and requires they undergo background checks.

*Action Taken: Monitoring*

*Location: 1/24/2019-Senate Rules Committee*

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**SB 184 (Moorlach)** Introduced: 1/30/2019

CalPERS Position: N/A

**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: 1/30/2019-Senate Rules Committee*

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## Federal Bills

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**H.R. 141 – Davis, Rodney (R-IL)** Introduced:1/3/2019

CalPERS Position: N/A

**Social Security Fairness Act.** Repeals the "government pension offset" and the "windfall elimination provision." Under existing law, those provisions reduce Old Age, Survivors, and Disability Insurance Social Security benefits for individuals who receive a pension based on earnings in government employment that was not covered under the Social Security program.

*Action Taken: Monitoring*

*Status: 01/03/2019—Read twice and referred to House Ways and Means. Congressional Record p. H206*

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**H.R. 624 – Waters, Maxine (D- CA)** Introduced:1/16/2019

CalPERS Position: Support

**Promoting Transparent Standards for Corporate Insiders Act.** Requires the Securities and Exchange Commission (SEC) to study and report on possible revisions to regulations regarding Rule 10b5-1 trading plans. Such plans allow certain employees of publicly traded corporations to sell their shares without violating insider trading prohibitions. Areas of study would include multiple trading plans, the timing of trades under trading plans, the timing of trade plan modifications and cancellations, and the disclosure of trade plan adoptions, amendments, terminations and transactions. The bill would also require the SEC to revise regulations consistent with the results of the study.

*Action Taken: Sent a letter to House Financial Services Chairwoman Maxine Waters and Ranking Member Patrick McHenry on January 22, 2019 in support of the bill.*

*Status: 01/28/2019—Measure passed in the House by roll call vote, 413-3, under suspension of the rules (two-thirds vote required). Congressional Record p. H1232*

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