

**Public Employees' Retirement System
Board of Administration
2019-2020 Legislative Session
State and Federal Update
Status as of August 24, 2020**

Sponsored Bills

AB 2101 (Committee on Public Employment and Retirement) Amended: 8/7/2020

CalPERS Position: Sponsor

CalPERS 2020 Omnibus Bill. Among its changes, this bill makes minor policy and technical changes to the Public Employees' Retirement Law (PERL), including conforming state law to the recently signed federal Setting Every Community Up for Retirement Enhancement (SECURE Act), which increased the required minimum distribution age for retirement accounts from 70.5 years old to 72 years old, and making clarifying changes related to confidential member data. The bill also contains minor and clarifying provisions related to the California State Teachers' Retirement System (CalSTRS) and the County Employees Retirement Law of 1937 (37 Act).

Action Taken: Monitoring

Location: 8/17/2020-Senate Floor

AB 2473 (Cooper) Amended: 7/28/2020

CalPERS Position: Sponsor

Public Disclosure of Private Loan Records. Establishes disclosure requirements within the California Public Records Act regarding information related to private-debt investments by public pension systems.

Action Taken: Not moving forward this legislative session

Location: 8/14/20-Failed Deadline pursuant to Rule 61(b)(13). (Last location was S. L., P.E. & R. on 6/23/2020)

Active State Bills

AB 80 (Committee on Budget) Chaptered: 6/29/2020

CalPERS Position: N/A

Health Omnibus Bill. Among other things, deletes current provisions relating to the Health Care Cost Transparency Database and instead establishes the Health Care Payments Data Program, under the Office of Statewide Health Planning and Development (OSHPD), to establish, implement, and administer the Health Care Payments Data Program System (System), which includes an advisory committee. Requires the System to administer health care data submitted by health care service plans, health insurers, self-insured or multiemployer-insured plans, and other specified mandatory and voluntary submitters. Protects the confidentiality of personally identifiable data submitted to the System and exempts it from disclosure but authorizes controlled access to nonpublic data to requestors who meet specified criteria. Requires the Department of Managed Health Care and the Department of Insurance to administer compliance if there is a failure to submit the required data to the System.

Action Taken: N/A, Signed into Law

Location: 6/29/2020-Chaptered by the Secretary of State, Chapter 12, Statutes of 2020

AB 84 (Committee on Budget) Chaptered: 6/29/2020

CalPERS Position: N/A

Public Employment and Retirement. Among its provisions, this proposed budget trailer bill requires state employees to participate in the Personal Leave Program 2020 (PLP 2020 Program) from July 1, 2020, to June 30, 2021, which will require a pay reduction up to 10 percent and provides 16 hours of PLP 2020 Program leave credits each month. The bill also revises the \$2.5 billion in supplemental payments appropriated to CalPERS in the 2019-20 Budget for state unfunded liabilities to be counted toward the state's contributions to CalPERS in fiscal year 2020-21. In addition, the bill revises the \$660 million in supplemental payments appropriated to CalPERS in the 2019-20 Budget for the schools' pool unfunded liabilities to be counted as school districts contributions to CalPERS in fiscal year 2020-21.

Action Taken: N/A, Signed into Law

Location: 6/29/2020-Chaptered by the Secretary of State, Chapter 16, Statutes of 2020

AB 119 (Ting) Chaptered: 6/29/2020

CalPERS Position: N/A

State Employment: State Bargaining Units. Among its provisions, this proposed budget trailer bill ratifies negotiated agreements for state bargaining units 1, 3, 4, 6, 9, 11, 14, 15, 17, 20, and 21, and suspends scheduled increases in employee retiree health pre-funding contribution rates for fiscal years 2020-21 and 2021-22.

Action Taken: N/A, Signed into Law

Location: 6/29/2020-Chaptered by the Secretary of State, Chapter 23, Statutes of 2020

AB 462 (Rodriguez) Amended: 5/21/2019

CalPERS Position: N/A

Emerging Investment Managers. Requires the California Public Employees' Retirement System and the California State Teachers' Retirement System to each define the term "emerging manager". It also requires each retirement system to submit a report to the Legislature beginning on or before March 1, 2021, on the status of achieving appropriate objectives and initiatives regarding participation of emerging managers responsible for asset management within its portfolio of investments.

Action Taken: Not moving forward this legislative session and will be removed from the legislative state program update because it did not meet the legislative calendar deadline

Location: 4/23/2019-Senate Rules Committee

AB 598 (Bloom) Amended: 9/6/2019

CalPERS Position: N/A

Hearing Aids for Minors. Requires specified health plan contracts and health insurance policies issued, amended, or renewed on or after July 1, 2020, to cover hearing aids, as defined, for enrollees under the age of 18. For children under the age of five, a contracted provider shall include a pediatric audiologist. The bill limits the maximum coverage amount to \$3,000 per individual hearing aid, and specifies that the individual shall be responsible for the difference between the cost of the hearing aid and the maximum coverage amount.

Action Taken: Monitoring

Location: 9/15/2019-Failed Deadline pursuant to Rule 61(a)(15)

AB 979 (Reyes) Amended: 8/20/2020

CalPERS Position: N/A

Diversity on Corporate Boards-Underrepresented Communities. Among other things, requires publicly held corporations whose principal executive offices are located in California, to have at least one director from an underrepresented community on its board of directors by the end of the 2021 calendar year, and to have at least two directors from underrepresented communities on boards with five directors, or three directors from underrepresented communities on boards with nine or more directors by the end of the 2022 calendar year. A "Director from an underrepresented community" is defined as an individual who self-identifies as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, Alaska Native, gay, lesbian, bisexual, or transgender. It also requires the Secretary of State (SOS) to post a report on its website specified compliance information, and permits the SOS to impose fines for the first violation of its provision in the amount of \$100,000 and \$300,00 for a second or subsequent violation.

Action Taken: Monitoring

Location: 8/20/2020-Senate Floor

AB 1140 (Stone) Amended: 6/18/2020

CalPERS Position: Support

District Consolidation. Authorizes the Central Fire Protection District and the Aptos/La Selva Fire Protection District to provide their respective employees the same defined benefit pension formula as these employees had with each respective district, after these two districts in Santa Cruz County consolidate into a single district. Requires the districts to designate within 180 days of consolidation which of their retirement contracts will continue as the contract for the consolidated successor agency.

Action Taken: Testified in Support in Senate Labor, Public Employment and Retirement Committee

Location: 8/20/2020-Senate Floor

AB 1611 (Chiu) Amended: 6/27/2019

CalPERS Position: N/A

Emergency Care Costs. Requires specified health plan contracts and health insurance policies issues, amended or renewed on or after January 1, 2020, to provide that enrollees pay for in-network costs for emergency care from a noncontracting hospital. Ensures that health plans and insurers pay a contracting hospital at a specified formula when an enrollee has received emergency care or poststabilization care and would provide a dispute resolution procedure if any party is dissatisfied with payment.

Action Taken: Not moving forward this legislative session and will be removed from the legislative state program update because it did not meet the legislative calendar deadline

Location: 7/10/2019-Failed Deadline Pursuant to Rule 61(a)(10)

AB 2028 (Aguiar-Curry) Amended: 8/20/2020

CalPERS Position: N/A

Bagley-Keene Open Meetings Act. Provides members of the public an opportunity to address a Bagley-Keene Open Meeting Act governed board on any agenda item regardless if the agenda item has already been considered by a committee.

Action Taken: Monitoring

Location: 8/20/2020-Senate Floor

AB 2157 (Wood) Introduced: 2/10/2020

CalPERS Position: N/A

Health Care Coverage: Independent Dispute Resolution Process. Requires health care service plan contracts and health insurance policies under the regulation of the Department of Managed Health Care and Department of Insurance to include a procedure in their independent dispute resolution process that includes the following: (1) a process for each party to submit into evidence information that will be kept confidential from the other party to preserve the confidentiality of the source contact; (2) the independent organization deciding the dispute conduct a de novo review and base its decision solely on the information and documents timely submitted into evidence by the parties in the dispute; and (3) the independent organization deciding the dispute shall assign reviewers to each case based on relevant education, background, and medical claims payment and clinical experience.

Action Taken: Monitoring

Location: 8/17/2020-Senate Floor

AB 2203 (Nazarian) Amended: 7/9/2020

CalPERS Position: N/A

Insulin Cost-Sharing Cap. Prohibits health care service plan contracts or specified disability insurance policies issued, amended, delivered, or renewed on or after January 1, 2021, from imposing a deductible, coinsurance, or other cost-sharing requirement for an insulin prescription covered under current state law - with the exception for a copayment that does not exceed \$50 per 30-day supply and no more than \$100 total per month - regardless of the amount or type of insulin needed to fill the covered person's prescription or prescriptions until January 1, 2024. Authorizes the Attorney General to investigate the pricing of prescription insulin drugs to ensure consumer protections in pricing and to determine if additional consumer protections are needed. Also authorizes the AG to, by November 1, 2022, provide a public report detailing its investigations on insulin pricing while keeping trade secrets and proprietary business information confidential.

Action Taken: Not moving forward this legislative session and will be removed from the legislative state program update because it did not meet the legislative calendar deadline

Location: 8/14/2020-Failed Deadline Pursuant to Rule 61(b)(13)

AB 2360 (Maienschein) Amended: 8/5/2020

CalPERS Position: N/A

Health Care Coverage: Telehealth for Mental Health Services. Among other things, requires health care service plan contracts and health insurance policies to provide access, by July 1, 2021, to a telehealth consultation program for providers who treat children, pregnant persons, and certain postpartum persons with access to a mental health consultation program. Also requires that the consultations by a mental health clinician with expertise appropriate for pregnant, postpartum, and pediatric patients be conducted by telephone or telehealth videos. Authorizes the consultation to include guidance on the range of evidence-based treatment options, screening tools, and referrals. Requires health care service plans and health insurers, while exempting certain specialized health care service plans and health insurers, to monitor data pertaining to the utilization of the telehealth program to facilitate ongoing quality improvements, as necessary, and provide a description of the program to the appropriate department.

Action Taken: Monitoring

Location: 8/20/2020-Senate Floor

AB 2365 (Rodriguez) Amended: 5/4/2020

CalPERS Position: Support

Revision of Working After Retirement Sanctions. Revises the sanctions for violations of the working after retirement laws by removing the requirement to reinstate a retiree, and makes other conforming changes.

Action Taken: Not moving forward this legislative session and will be removed from the legislative state program update because it did not meet the legislative calendar deadline

Location: 8/14/2020-Failed Deadline Pursuant to Rule 61(b)(13)

AB 2830 (Wood) Amended: 6/4/2020

CalPERS Position: N/A

Health Care Payments Data Program. Among other things, deletes current provisions relating to the Health Care Cost Transparency Database and instead establishes the Health Care Payments Data Program, under the Office of Statewide Health Planning and Development (OSHPD), to implement and administer the Health Care Payments Data System (System), which includes an advisory committee. Requires health care service plans, health insurers, self-insured or multiemployer-insured plans, and other mandatory submitters to submit health care data. All personal consumer information obtained by mandatory and voluntary submitters and maintained by the System is made confidential. Data made public would be deidentified aggregate data and revenues made from such data reports would be deposited in the Health Care Payments Data Fund. Requires OSHPD to provide a report to the Legislature of the data submitted by mandatory and voluntary submitters on or before March 1, 2024. Also requires the Department of Managed Health Care and the Department of Insurance to administer compliance if there is a failure to submit the required data to the System.

Action Taken: Not moving forward this legislative session and will be removed from the legislative state program update because it did not meet the legislative calendar deadline

Location: 8/14/2020-Failed Deadline Pursuant to Rule (61(b)(13)

AB 2967 (O'Donnell) Amended: 7/28/2020

CalPERS Position: N/A Support

Retirement System: Contracting Agencies: Exclusion from Membership. Prohibits a CalPERS contracting agency from amending its contract on or after January 1, 2021, to exclude groups of employees from membership in CalPERS. The bill allows contract amendments that enumerate or clarify provisions that do not expand the groups of employees subject to exclusion.

Action Taken: Testified in Support in Senate Labor, Public Employment and Retirement Committee

Location: 8/20/2020-Senate Floor

ACA 24 (Low) Introduced: 2/21/2020

CalPERS Position: N/A

Newly Elected Legislative Members' Benefits and Retirement For Members of the Legislature newly elected to the Legislature on or after December 7, 2020, this resolution amends the State Constitution to require that the total monetary value of the medical, dental, insurance, and other similar benefits be equal to the total monetary value of those benefits provided to a full-time employee of the house in which the Member serves. It also authorizes a new Member to participate in the Public Employees' Retirement System and provides that any retirement credit earned through service in another state or local government agency may qualify for credit in that state retirement plan.

Action Taken: Monitoring

Location: 2/21/2020-Assembly Print

SB 119 (Committee on Budget & Fiscal Review) Chaptered: 8/6/2020

CalPERS Position: N/A

State Employment: State Bargaining Units. Among its provisions, this proposed budget trailer bill ratifies negotiated agreements for state bargaining units 2, 5, 7, 8, 9, 10, 16, 18, and 19, and suspends scheduled increases in employee retiree health pre-funding contribution rates for fiscal years 2020-21 and 2021-22.

Action Taken: N/A, Signed into Law

Location: 8/6/2020-Chaptered by the Secretary of State, Chapter 30, Statutes of 2020

SB 266 (Leyva) Amended: 9/3/2019

CalPERS Position: N/A

Administration of Reportable Compensation. Among other things, this bill defines "disallowed compensation" and stipulates what would occur if disallowed compensation is reported by the state, school employer, or contracting agency including requiring the employer to pay a retiree the actuarial equivalent of any reduced retirement benefit. It also allows the state, school employer, or contracting agency to submit additional proposed compensation items to CalPERS to determine compliance with existing law.

Action Taken: Monitoring

Location: 9/15/2019-Senate Held at Desk

SB 430 (Wieckowski) Amended: 5/17/2019

CalPERS Position: N/A

PEPRA Exemption for New Judges. Allows judges elected in 2012, as specified, to make a one-time, irrevocable election between March 1, 2020, and March 30, 2020, to be prospectively exempt from the definition of new member under the Public Employees' Pension Reform Act of 2013 (PEPRA) as of July 1, 2020, and be subject to a one-year final compensation period used to calculate retirement benefits and an employee contribution rate of eight percent of salary. Service accrued and contributions paid between January 1, 2013, and June 30, 2020, shall be subject to the new member definition under PEPRA. Provides that CalPERS has no obligation to inform or locate people who may be subject to these provisions. Stipulates that these provisions do not impact the rights of the Legislature to increase contributions or reduce benefits as provided by existing law.

Action Taken: Not moving forward this legislative session and will be removed from the legislative state program update because it did not meet the legislative calendar deadline

Location: 7/10/2019-Failed Deadline Pursuant to Rule 61(a)(10)

SB 852 (Pan) Amended: 8/24/2020

CalPERS Position: N/A

Access to Affordable Prescription Drugs. Among other things, requires the California Health and Human Services Agency (CHHSA) to enter into partnerships, in consultation with other state departments as necessary, to increase patient access to affordable drugs. Requires CHHSA to (1) enter in such partnerships to produce or distribute generic prescription drugs and at least one form of insulin, provided the insulin price results in savings, (2) submit a report to the Legislature on or before July 1, 2023, that assesses the feasibility and advantages of directly manufacturing generic prescription drugs and selling them at a fair price, and (3) report to the Legislature on or before July 1, 2022, a description for the status of the drugs targeted for manufacture and an analysis of how CHHSA's activities impacted competition, access, and costs for those drugs.

Action Taken: Monitoring

Location: 8/20/2020-Assembly Floor

SB 855 (Wiener) Amended: 8/24/2020

CalPERS Position: N/A

Health Care Coverage: Mental Health or Substance Use Disorders. Among other things, expands the current California Mental Health Parity Act to define mental health and substance use disorder services as medically necessary treatments and requires insurers to cover such treatment. Requires a health care service plan contract or disability insurance policy that provides hospital, medical, or surgical coverage, and that is issued, amended, or renewed on or after January 1, 2021, to (1) provide coverage for the treatment of mental health and substance use disorders under the same terms and conditions applied to other medical conditions, (2) base medical necessity determinations and utilization review criteria on current generally accepted standards of mental health or substance use disorder care, and (3) apply for specified clinical criteria and guidelines in conducting utilization review of services and benefits. Prohibits a health care service plan or health insurer from limiting benefits or coverage for chronic or pervasive mental health and substance use disorders to short-term or acute treatment and revises the covered benefits to include basic health care services. Also authorizes the Director of the Department of Managed Health Care or Insurance Commissioner to assess administrative or civil penalties, as specified, for violation relating to the requirements of the utilization review.

Action Taken: Monitoring

Location: 8/20/2020-Assembly Floor

SB 939 (Wiener and Gonzalez) Amended: 5/29/2020

CalPERS Position: N/A

Emergencies: COVID-19: commercial tenancies: evictions. Establishes, for all commercial tenants, a temporary moratorium on evictions for the duration of the COVID-19 related state of emergency, and a yearlong period in which to make up rental payments missed during that state of emergency. In addition, for specified businesses that have been especially impacted by the public health protocols resulting from the COVID-19 pandemic, including restaurants and bars, the bill creates procedures for renegotiating or terminating existing leases that were based on pre-COVID-19 expectations.

Action Taken: Not moving forward this legislative session and will be removed from the legislative state program update because it did not meet the legislative calendar deadline

Location: 6/18/2020-Held under submission in Senate Appropriations Committee Suspense File

SB 977 (Monning) Amended: 8/24/2020

CalPERS Position: N/A

Health Care System Consolidation: Attorney General Approval and Enforcement. Requires a pending change in control or acquisition initiated, completed, or pending between a healthcare system, private equity group, or hedge fund and a nonphysician group that end on or before December 31, 2025, to provide advance written notification to the Attorney General (AG) prior to the change of control or acquisition. The AG's decision to deny or consent to the change of control or acquisition is based on: 1) whether the transaction would increase care coordination and/or increase or maintain access and affordability of care to an underserved population, and 2) whether the transaction would result in anticompetitive effects that outweigh the benefits. Also requires a health care system making a change of control with a specified provider, group of providers, or a health care facility, when the transactional value is less than \$1,000,000, to provide written notice to the AG and the AG has 30 days to object or raise concerns. Allows the AG to seek civil penalties against anyone engaged in unlawful conduct of unfair competition. Establishes a Health Policy Advisory Board until January 1, 2027, headed by the AG to evaluate and analyze California healthcare markets and produce an annual report on acquisitions and affiliations along with their impacts on cost and quality of care. Requires the Health Policy Advisory board members to file a statement of economic interest with the Fair Political Practices Commission and be prohibited from receiving compensation for service on the board.

Action Taken: Monitoring

Location: 8/20/2020-Assembly Floor

Federal Bills

H.R. 3 - Pallone, Frank (D-NJ) Introduced: 9/19/2019

CalPERS Position: N/A

Elijah E. Cummings Lower Drug Costs Now Act. Among other things, requires the Centers for Medicare & Medicaid Services (CMS) to negotiate maximum prices for insulin products and at least 25 single source, brand name drugs that do not have generic competition and that are among the 125 drugs that account for the greatest national spending or spending under the Medicare prescription drug benefit and Medicare Advantage (MA). The negotiated prices must be offered under Medicare and MA, and may also be offered under private health insurance unless the insurer opts out. It requires the negotiated maximum price to not exceed 120 percent of the average price in Australia, Canada, France, Germany, Japan, and the United Kingdom; or if such information is not available, 85 percent of the U.S. average manufacturer price. In addition, the bill requires drug manufacturers to issue rebates to the CMS for covered drugs that cost \$100 or more and for which the average manufacturer price increases faster than inflation. It also reduces the Medicare prescription drug benefit annual out-of-pocket beneficiary spending threshold, and eliminates beneficiary cost-sharing above the threshold.

*Action Taken: Monitoring**Status: 8/13/2020 - Placed on Senate Legislative Calendar under Read the First Time.*

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

CalPERS Position: N/A

Social Security Fairness Act of 2019. Repeals the Government Pension Offset and the Windfall Elimination Provision 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**Status: 1/31/2019 - Referred to the House Committee on Ways and Means, Subcommittee on Social Security.**Note: S. 521 (Brown D-OH) is companion legislation that was introduced on February 14, 2019. Staff is monitoring this companion legislation.*

H.R. 266 - McCollum, Betty (D-MN) Signed into law by the President: 4/24/2020

CalPERS Position: N/A

Paycheck Protection Program and Health Care Enhancement Act (aka "Phase 3.5"). A stimulus package that provides additional federal funding related to the COVID-19 outbreak. Specifically, it provides an additional \$321 billion to the Paycheck Protection Program, \$75 billion to reimburse health care providers for health care related expenses or lost revenues that are attributable to the COVID-19 outbreak, and \$25 billion for expenses to research, develop, validate, manufacture, purchase, administer, and expand capacity for COVID-19 tests to effectively monitor and suppress COVID-19.

*Action Taken: Reviewing for potential impacts to CalPERS.**Status: 4/24/2020 - Signed by the President (Public Law No. 116-139)*

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 prohibitions on insider trading. The bill requires the study and report to address 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. It also requires the SEC to revise regulations consistent with the results of the study.

Action Taken: Sent a letter to House Financial Services Committee Chairwoman Waters and Ranking Member McHenry expressing support for H.R. 624 on January 22, 2019.

Status: 1/29/2019 - Referred to the Senate Committee on Banking, Housing, and Urban Affairs.

Note: S. 573 (Van Hollen D-MD) is companion legislation that was introduced on February 27, 2019. Staff is monitoring this companion legislation.

H.R. 748 - Courtney, Joe (D-CT) Signed into law by the President: 3/27/2020

CalPERS Position: N/A

Coronavirus Aid, Relief, and Economic Security (CARES) Act (aka "Phase 3"). A \$2 trillion economic stimulus package that, among other things, provides \$1,200 to every American making \$75,000 a year or less (and an additional \$500 per child); and adds \$600/week to unemployment benefits for four months. It also provides \$100 billion to hospitals and health providers; requires health insurers to pay for COVID-19 testing; and increases Medicare reimbursements for treating COVID-19. In addition, it provides \$500 billion in loans or investments to businesses, states and municipalities; prohibits corporate recipients of Federal Reserve loans from engaging in stock buybacks; waives required minimum distribution rules for defined contribution plans and IRAs for calendar year 2020; and allows individuals who have experienced adverse financial consequences as a result of COVID-19 to make withdrawals of up to \$100,000 from their retirement funds without having to pay the 10% early withdrawal penalty.

Action Taken: Reviewing for potential impacts to CalPERS.

Status: 3/27/2020 - Signed by the President. (Public Law No. 116-136)

H.R. 763 - Deutch, Theodore E. (D-FL) Introduced: 1/24/2019

CalPERS Position: N/A

Energy Innovation and Carbon Dividend Act of 2019. Imposes a fee on the producers or importers of fuels that emit greenhouse gases into the atmosphere that is equal to the greenhouse gas content of the fuel multiplied by the carbon fee rate. The rate begins at \$15 in 2019, increases by \$10 each year, and is subject to further adjustments based on the progress in meeting specified emissions reduction targets. The bill also imposes a specified fee on fluorinated greenhouse gases. The bill includes exemptions for fuels used for agricultural or non-emitting purposes, exemptions for fuels used by the Armed Forces, rebates for facilities that capture and sequester carbon dioxide, and border adjustment provisions that require certain fees or refunds for carbon-intensive products that are exported or imported.

Action Taken: Met with Rep. Deutch's staff and will continue to monitor.

Status: 1/24/2019 - Referred to the House Committees on Ways and Means, Energy and Commerce (Subcommittee on Energy), and Foreign Affairs.

Note: S. 1128, H.R. 4058, S. 2284/H.R. 4051, H.R. 3966, H.R. 4142, and H.R. 4520 are related carbon-pricing bills that staff is monitoring.

H.R. 860 - Larson, John (D-CT) Introduced: 1/30/2019

CalPERS Position: N/A

Social Security 2100 Act. Increases the primary insurance amount (the amount a beneficiary receives if he or she begins receiving benefits at normal retirement age) by increasing the percentage of the beneficiary's average indexed monthly earnings used to calculate the amount. It also increases payroll tax rates, and includes income above \$400,000 when calculating Social Security taxes and benefits. It requires the Bureau of Labor Statistics to publish a Consumer Price Index for Elderly Consumers, which the Social Security Administration will use to calculate the cost of living adjustments to benefits. Finally, it increases the minimum benefit amount for individuals who worked for more than 10 years by creating an alternative minimum benefit.

Action Taken: Monitoring

Status: 1/30/2019 - Referred to the House Committees on Ways and Means (Subcommittee on Social Security), Education and Labor, and Energy and Commerce.

H.R. 978 - Matsui, Doris (D-CA) Introduced: 2/5/2019

CalPERS Position: N/A

Clean and Efficient Cars Act of 2019. Codifies the Department of Transportation (DOT) and Environmental Protection Agency (EPA) standards established in 2012 for light-duty vehicle greenhouse gas emissions and Corporate Average Fuel Economy for model years 2021 through 2025. It also prohibits the DOT and EPA from establishing loopholes in those standards.

Action Taken: Monitoring

Status: 2/5/2019 - Referred to the House Committee on Energy and Commerce.

H.R. 1865 - Pascrell, Bill (D-NJ) Signed into law by the President: 12/20/2019

CalPERS Position: N/A

Further Consolidated Appropriations Act, 2020. A year-end spending bill that, among other things, contains provisions of previously-monitored bills, including: a repeal of the excise tax on employer-sponsored health care (H.R. 748); an increase in the age that required minimum distributions from retirement accounts must begin from age 70 ½ to age 72 (H.R. 1994); a repeal of the annual fee on health insurance providers (S.80); and legislation to promote competition in the market for drugs and biological products by facilitating the timely entry of lower-cost generic and biosimilar versions of those drugs and biological products (S. 340).

Action Taken: Working with California State Legislature to make conforming changes to Public Employees' Retirement Law.

Status: 12/20/2019 - Signed by the President. (Public Law No. 116-94)

H.R. 2534 - Himes, James A. (D-CT) Introduced: 5/7/2019

CalPERS Position: Support

Insider Trading Prohibition Act. Makes it unlawful for a person to trade on material, nonpublic information when the information was wrongfully obtained, or when the use of such information to make a trade would be deemed wrongful and makes it unlawful to communicate that information to another person when it is reasonable that the person is likely to trade on that information.

Action Taken: Sent a letter to Speaker Pelosi and Minority Leader McCarthy expressing support for H.R. 2534 on December 3, 2019.

Status: 12/9/2019 - Referred to the Senate Committee on Banking, Housing, and Urban Affairs.

H.R. 2923 - Lee, Barbara (D-CA) Introduced: 5/22/2019

CalPERS Position: N/A

Inclusive Prosperity Act of 2019. Imposes a "financial transaction tax" on trades of stocks, bonds, and derivatives at the following rates: 0.5 percent for stocks, 0.1 percent for bonds, and 0.005 percent for derivatives.

Action Taken: Monitoring

Status: 5/22/2019 - Referred to the House Committee on Ways and Means.

Note: S. 1587 (Sanders I-VT) is companion legislation that was introduced on May 22, 2019. Staff is monitoring this companion legislation.

H.R. 3623 - Casten, Sean (D-IL) Introduced: 7/5/2019

CalPERS Position: Support

Climate Risk Disclosure Act of 2019. Requires public companies to report on financial impacts related to risks posed to them by climate change, their corporate governance processes to identify and manage climate-related risks, and actions they are taking to mitigate those climate-related risks. It also requires the SEC to issue rules that establish climate-related risk disclosure guidance and require public companies to report risk management actions that companies are taking to address identified risks.

Action Taken: Sent a letter to House Energy & Commerce Subcommittee on Environment & Climate Change Chairman Tonko and Ranking Member Shimkus expressing support for H.R. 3623 on June 29, 2020. CalPERS testified in support of H.R. 3623 at the July 10, 2019 hearing of the House Committee on Financial Services.

Status: 7/16/2019 - Passed the House Committee on Financial Services. Pending action in the House Energy and Commerce Committee, Subcommittee on Environment and Climate Change.

Note: S. 2075 (Warren D-MA) is companion legislation that was introduced on July 10, 2019. Staff is monitoring this companion legislation.

H.R. 4329 - Vargas, Juan (D-CA) Introduced: 9/13/2019

CalPERS Position: Support

ESG Disclosure Simplification Act of 2019. Expresses Congress's sense that Environmental, Social, and Governance (ESG) disclosures are material for the SEC's disclosure purposes and requires the SEC to define ESG metrics and, in turn, require public companies to disclose their ESG metrics and views on the link between their ESG metrics and long-term business strategy. It also requires the SEC to establish a "Sustainable Finance Advisory Committee" that would make recommendations about what ESG metrics the SEC should require issuers to disclose. The bill would also require this Committee to submit a report to the SEC that identifies challenges and opportunities for investors associated with sustainable finance, and recommends policy changes to facilitate the flow of capital towards sustainable investments, and especially to environmentally sustainable investments.

Action Taken: CalPERS testified in support of H.R. 4329 at the July 10, 2019 hearing of the House Committee on Financial Services.

Status: 1/7/2020 - Placed on the House Union Calendar.

H.R. 4527 - Malinowski, Tom (D-NJ) Introduced: 9/26/2019

CalPERS Position: N/A

Expanding Health Care Options for Early Retirees Act. Provides an option for specified first responders age 50 to 64 who are separated from service due to disability or retirement to buy into Medicare Part A, B, and D benefits or an MA Plan. The bill directs the Secretary of the Health and Human Services (HHS) Agency to determine monthly premiums for enrolled first responders by estimating the average, annual per capita amount for benefits and administrative expenses for all estimated enrollees under this section.

Action Taken: Monitoring

Status: 12/10/2019 - House Committee on Energy and Commerce, Subcommittee on Health hearing held.

Note: S. 2552 (Brown D-OH) is companion legislation that was introduced on September 26, 2019. Staff is monitoring this companion legislation.

H.R. 4540 - Neal, Richard (D-MA) Introduced: 9/27/2019

CalPERS Position: N/A

Public Servants Protection and Fairness Act. Creates a new, more proportional Windfall Elimination Provision formula. For those who are first eligible to receive Social Security before 2022 – the new formula does not apply. They get a monthly additional payment (a “rebate”). For those who are first eligible to receive Social Security starting in 2022 – they can use the current formula or the new formula, whichever is higher.

Action Taken: Monitoring

Status: 9/27/2019 - Referred to the House Committee on Ways and Means, Subcommittee on Social Security.

H.R. 5084 - Meeks, Gregory (D-NY) Introduced: 11/14/2019

CalPERS Position: Support

Improving Corporate Governance Through Diversity Act of 2019. Requires public companies to disclose the racial, ethnic, and gender composition of their boards of directors and executive officers (based on voluntary self-identification), as well as the status of any of those directors and officers as a veteran. It also requires the disclosure of any plan to promote racial, ethnic, and gender diversity among these groups. It also requires the Securities and Exchange Commission (SEC) to establish a Diversity Advisory Group to report on strategies to increase gender, racial, and ethnic diversity among board members.

Action Taken: Sent a letter to Senators Crapo and Brown expressing support for H.R. 5084 on December 6, 2019.

Status: 11/20/2019 - Referred to the Senate Committee on Banking, Housing, and Urban Affairs.

H.R. 5133 - Cicilline, David N. (D-RI) Introduced: 11/18/2019

CalPERS Position: N/A

Affordable Prescriptions for Patients Through Promoting Competition Act of 2019. Authorizes the Federal Trade Commission to prosecute pharmaceutical manufacturers that create non-substantive changes to prescriptions simply to extend their exclusive holds over parts of the pharmaceutical market.

Action Taken: Monitoring

Status: 11/21/2019 - Passed the House Committee on the Judiciary.

H.R. 5929 - Foster, Bill (D-IL) Introduced: 2/21/2020

CalPERS Position: Support

Shareholder Political Transparency Act of 2020. Requires public companies to disclose political activity expenditures information including the expenditures' dates and amounts, the names of candidates (if any) the expenditures were made in support of or opposition to, and the names of any trade associations or organizations the expenditures were made to.

Action Taken: Sent a letter to House Financial Services Committee Chairwoman Waters and Ranking Member McHenry expressing support for H.R. 5929 on February 25, 2020. CalPERS testified in support of H.R. 5929 at the July 10, 2019 hearing of the House Committee on Financial Services.

Status: 2/28/2020 - Passed the House Committee on Financial Services.

H.R. 5930 - Axne, Cynthia (D-IA) Introduced: 2/21/2020

CalPERS Position: Support

Workforce Investment Disclosure Act of 2020. Requires public companies to disclose information about human capital management policies, practices, and performance, including the number of full-time versus part-time employees, turn-over rate, racial and gender diversity composition data, employee engagement, union representation, workforce health and safety, and human rights commitments and their implementation.

Action Taken: Sent a letter to House Financial Services Committee Chairwoman Waters and Ranking Member McHenry expressing support for this bill on February 20, 2020.

Status: 2/28/2020 - Passed the House Committee on Financial Services.

H.R. 6074 - Lowey, Nita (D-NY) Signed into law by the President: 3/6/2020

CalPERS Position: N/A

Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (aka "Phase 1"). Provides \$8.3 billion in emergency funding for federal agencies to respond to COVID-19, including the Department of Health and Human Services (HHS), the State Department, and the Small Business Administration. The funding will be used for programs that address issues such as developing, manufacturing, and procuring vaccines and other medical supplies; grants for state, local, and tribal public health agencies and organizations; and loans for affected small businesses. The bill also allows HHS to temporarily waive certain Medicare restrictions and requirements regarding telehealth services during the coronavirus public health emergency.

Action Taken: Reviewing for potential impacts to CalPERS.

Status: 3/6/2020 - Signed by the President. (Public Law No. 116-123)

H.R. 6201 - Lowey, Nita (D-NY) Signed into law by the President: 3/18/2020

CalPERS Position: N/A

Families First Coronavirus Response Act (aka "Phase 2"). A bill in response to COVID-19 that provides paid sick leave and free COVID-19 testing, expands food assistance and unemployment benefits, and requires employers to provide additional protections for health care workers. Specifically, the bill includes provisions that establish a federal emergency paid leave benefits program to provide payments to employees taking unpaid leave due COVID-19; expand unemployment benefits and provide grants to states for processing and paying claims; require employers to provide paid sick leave to employees; and establish requirements for providing COVID-19 diagnostic testing at no cost to consumers.

Action Taken: Reviewing for potential impacts to CalPERS.

Status: 3/18/2020 - Signed by the President. (Public Law No. 116-127)

H.R. 6321 - Waters, Maxine (D-CA) Introduced: 3/23/2020

CalPERS Position: N/A

Financial Protections and Assistance for America's Consumers, States, Businesses, and Vulnerable Populations Act. Among other things, temporarily prohibits federal financial regulators from adopting rules not directly related to responding to COVID-19 for the length of the crisis, temporarily bans stock buybacks, requires public companies to disclose risks to the disruption of their supply chains, requires public companies to disclose their risks and exposures to pandemics, establishes a Congressional COVID-19 Aid Oversight Panel, and authorizes the Special Inspector General for the Troubled Asset Relief Program to coordinate audits and investigations in connection with Federal aid provided to corporations related to COVID-19.

Action Taken: Monitoring

Status: 3/23/2020 - Referred to the House Committees on Financial Services, Ways and Means, Education and Labor, Small Business, the Judiciary, and Agriculture.

H.R. 6800 - Lowey, Nita (D-NY) Introduced: 5/12/2020

CalPERS Position: N/A

Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act (aka "Phase 4"). A \$3 trillion economic stimulus package that, among other things, provides \$500 billion to state governments and \$375 billion to local governments; \$200 billion for hazard pay for essential workers who face heightened health risks during the crisis; \$175 billion for a public health and social services emergency fund; \$175 billion in housing assistance (\$100 billion to renters and \$75 billion to homeowners); \$10 billion to the Supplemental Nutrition Assistance Program; \$1.5 billion for broadband hotspot coverage; a second round of direct payments of \$1,200 to every American making \$75,000 a year or less (and an additional \$1,200 per child); and an extension of the \$600/week federal unemployment insurance benefits through January 2021. It also provides that workers who are laid off or furloughed could maintain their employer's health coverage through the COBRA program with full premium subsidies for approximately nine months.

Action Taken: Monitoring

Status: 7/23/2020 - Senate Committee on Small Business and Entrepreneurship hearing held.

H.R. 7000 – Sherman, Brad (D-CA) Introduced: 5/22/2020

CalPERS Position: N/A

Holding Foreign Companies Accountable Act. Requires certain issuers of securities to establish that they are not owned or controlled by a foreign government. Specifically, an issuer must make this certification if the Public Company Accounting Oversight Board is unable to audit specified reports because the issuer has retained a foreign public accounting firm not subject to inspection by the board. Furthermore, if the board is unable to inspect the issuer's public accounting firm for three consecutive years, the issuer's securities are banned from trade on a national exchange.

Action Taken: Monitoring

Status: 6/25/2020 - House Committee on Financial Services, Subcommittee on Investor Protection, Entrepreneurship, and Capital Markets hearing held.

Note: S. 945 (Kennedy R-LA) is companion legislation that was introduced on March 28, 2019. Staff is monitoring this companion legislation. Provisions of this bill are also included in the National Defense Authorization Act bills.

S. 64 - Klobuchar, Amy (D-MN) Introduced: 1/9/2019

CalPERS Position: Support

Preserve Access to Affordable Generics and Biosimilars Act. Prohibits brand name drug companies from compensating generic drug companies to delay the entry of a generic drug into the market and prohibits biological product manufacturers from compensating biosimilar and interchangeable companies to delay the entry of biosimilar biological products and interchangeable biological products.

Action Taken: Sent a letter to Senator Klobuchar expressing support for S. 64 on July 8, 2019.

Status: 1/9/2019 - Referred to the Senate Committee on the Judiciary.

Note: H.R. 2375 (Nadler D-NY) is companion legislation that was introduced on April 29, 2019. Staff is monitoring this companion legislation.

S. 592 - Reed, Jack (D-RI) Introduced: 2/28/2019

CalPERS Position: N/A

Cybersecurity Disclosure Act of 2019. Requires the Securities and Exchange Commission (SEC) to issue final rules requiring publicly traded companies to disclose whether any member of its governing body has expertise or experience in cybersecurity in its mandatory annual report or annual proxy statement. If no member has such expertise or experience, the company must describe what other company cybersecurity steps were taken into account by the persons responsible for identifying and evaluating nominees for the governing body.

Action Taken: Monitoring

Status: 6/11/2019 - Senate Committee on Banking, Housing, and Urban Affairs hearing held.

Note: H.R. 1731 (Himes D-CT) is companion legislation that was introduced on March 13, 2019. Staff is monitoring this companion legislation.

S. 647 - Schatz, Brian (D-HI) Introduced: 3/5/2019

CalPERS Position: N/A

Wall Street Tax Act of 2019. Taxes the sale of stocks, bonds, and derivatives at 0.1 percent. The tax would apply to the fair market value of equities and bonds, and the payment flows under derivatives contracts. Initial public offerings and short-term debt (with a maturity of less than 100 days) would be exempted.

Action Taken: Monitoring

Status: 3/5/2019 - Referred to the Senate Committee on Finance.

Note: H.R. 1516 (DeFazio D-OR) is companion legislation that was introduced on March 5, 2019. Staff is monitoring this companion legislation.

S. 945 - Kennedy, John (R-LA) Introduced: 3/28/2019

CalPERS Position: N/A

Holding Foreign Companies Accountable Act. Requires certain issuers of securities to establish that they are not owned or controlled by a foreign government. Specifically, an issuer must make this certification if the Public Company Accounting Oversight Board is unable to audit specified reports because the issuer has retained a foreign public accounting firm not subject to inspection by the board. Furthermore, if the board is unable to inspect the issuer's public accounting firm for three consecutive years, the issuer's securities are banned from trade on a national exchange.

Action Taken: Monitoring

Status: 5/22/2019 - Received in the House.

Note: H.R. 7000 (Sherman D-CA) is companion legislation that was introduced on May 22, 2020 and was heard at the House Financial Services Committee, Subcommittee on Investor Protection, Entrepreneurship, and Capital Markets June 25, 2020 hearing. Staff is monitoring this companion legislation. Provisions of this bill are also included in the National Defense Authorization Act bills.

S. 1140 - Smith, Tina (D-MN) Introduced: 4/11/2019

CalPERS Position: Support

Protecting Access to Biosimilars Act of 2019. Subjects insulin to the Food and Drug Administration's (FDA's) biosimilar pathway intended to bring low-cost, generic insulin products to market. It ensures these products adhere to requirements that prevent the ability of insulin manufacturers to game the exclusivity system and keep their market share; and ensures older insulin products that are now regulated as biologics do not suddenly receive the 12-year exclusivity granted to newly-licensed biologics.

Action Taken: Sent a letter to Senator Smith expressing support for S. 1140 on July 18, 2019.

Status: 4/11/2019 - Referred to the Senate Committee on Health, Education, Labor and Pensions.

Note: H.R. 2011 (DeGette D-CO) is companion legislation that was introduced on April 1, 2019. Staff is monitoring this companion legislation.

S. 1169 - Gardner, Cory (R-CO) Introduced: 4/11/2019

CalPERS Position: Support

Ensuring Timely Access to Generics Act of 2019. Specifies factors that the Secretary of the Food and Drug Administration (FDA) must consider when determining whether citizen petitions have been submitted for the primary purpose of delaying approval of an application for biosimilar or generic drug manufacture. It also requires publication of such citizen petitions and requires referral of specified matters to the Federal Trade Commission (FTC).

Action Taken: Sent a letter to Senator Gardner expressing support for S. 1169 on July 18, 2019.

Status: 4/11/2019 - Referred to the Senate Committee on Health, Education, Labor and Pensions.

Note: H.R. 2455 (Joyce R-PA) is companion legislation that was introduced on May 1, 2019 and H.R. 2374 (Jeffries D-NY), H.R. 2387 (Levin D-MI), and S. 1224 (Klobuchar D-MN) are related legislation that staff is monitoring.

S. 1209 - Cassidy, Bill (R-LA) Introduced: 4/11/2019

CalPERS Position: N/A

Reforming Evergreening and Manipulation that Extends Drug Years Act. Amends the Abbreviated New Drug Application (ANDA) process used by the Food and Drug Administration (FDA) to review and approve generic prescription drugs listed in its Approved Drug Products with Therapeutic Equivalence Evaluations (Orange Book). Among other things, it allows generic manufacturers to enter the market based on their assessment of the secondary patent validity and the risk of legal action by a brand-name drug manufacturer once its drug substance patent and all exclusivities expire.

Action Taken: Monitoring

Status: 4/11/2019 - Referred to the Senate Committee on Health, Education, Labor and Pensions.

Note: H.R. 3812 (McKinley R-WV) is companion legislation that was introduced on July 17, 2019. Staff is monitoring this companion legislation.

S. 1895 - Alexander, Lamar (R-TN) Introduced: 6/19/2019

CalPERS Position: N/A

Lower Health Care Costs Act. Bipartisan health care reform legislation that, among other things, would end surprise medical billing by protecting patients against out-of-network deductibles in emergencies. This legislation would reduce prescription drug prices by ensuring timely access to generics and protecting access to biological products as well as improve transparency in health care by designating a nongovernmental, nonprofit entity to help ensure higher quality and lower cost health care. Additionally, this legislation would improve public health and the exchange of health information by improving early disease prevention, innovation and integrated services and requiring health insurers to make health claims, network, and cost information readily available to patients.

Action Taken: Monitoring

Status: 7/8/2019 - Placed on Senate Legislative Calendar under General Orders.

S. 2155 - Warren, Elizabeth (D-MA) Introduced: 7/17/2019

CalPERS Position: N/A

Stop Wall Street Looting Act. Holds private funds jointly and severally liable for debt incurred by a target firm, prohibits target firms from making a capital distribution during the 24 months following a leveraged buyout transaction, applies a 100% tax on “monitoring” and “transaction” fees paid by target firms to private fund managers, classifies severance pay owed to employees as administrative expenses for the purposes of Chapter 11 bankruptcy priority claims, taxes carried interest at income tax rates as opposed to at capital gains rates, and amends the Employee Retirement Income Security Act of 1974 (ERISA) to require private fund managers to have a fiduciary duty to pension plans whose assets they manage.

Action Taken: Monitoring

Status: 7/17/2019 - Referred to the Senate Committee on Finance.

Note: H.R. 3848 (Pocan D-WI) is companion legislation that was introduced on July 18, 2019. Staff is monitoring this companion legislation.

S. 2543 - Grassley, Chuck (R-IA) Introduced: 9/25/2019

CalPERS Position: N/A

Prescription Drug Pricing Reduction Act of 2019. Among other things, redesigns the Medicare Part D benefit, which includes establishing an out-of-pocket maximum for beneficiary cost sharing and splitting the cost of catastrophic phase claims between plan sponsors, the federal government, and drug manufacturers. Requires drug manufacturers to pay the federal government if prices for certain Part D drugs increase faster than inflation. Mandates disclosure of drug rebates, discounts, and other pharmacy benefit manager (PBM) contract provisions.

Action Taken: Monitoring

Status: 9/25/2019 - Placed on Senate Legislative Calendar under General Orders.

S. 2791 - Rubio, Marco (R-FL) Introduced: 11/6/2019

CalPERS Position: N/A

Taxpayers and Savers Protection Act. Prohibits the Federal Retirement Thrift Investment Board from investing Thrift Savings Plan funds in securities listed on mainland Chinese exchanges. It prohibits investment in issuers listed on foreign securities exchanges where the Public Company Accounting and Oversight Board (PCAOB) has not issued an audit inspection and where the PCAOB is prevented from conducting such inspections.

Action Taken: Monitoring

Status: 11/6/2019 - Referred to the Senate Committee on Homeland Security and Governmental Affairs.

Note: H.R. 5018 (Meadows R-NC) and H.R. 6614 (Waltz R-FL) are companion legislation. Staff is monitoring this companion legislation. On May 13, the Federal Retirement Thrift Investment Board voted to pause plans to invest Thrift Savings Plan assets in an index fund that includes Chinese companies.

S. 4318 - Grassley, Chuck (R-IA) Introduced: 7/27/2020

CalPERS Position: N/A

American Workers, Families, and Employers Assistance Act (aka "Phase 4"). An economic stimulus package that, among other things, provides \$2 billion to assist states in upgrading their unemployment insurance benefit systems; provides \$200/week in federal unemployment insurance benefits through September 2020 then, along with state unemployment, replaces up to 70 percent of lost wages; provides a second round of direct payments of \$1,200 to every American making \$75,000 a year or less (and an additional \$500 per dependent); holds the 2021 Medicare Part B monthly premium at the 2020 amount--\$144.90 for the standard premium and a higher amount for beneficiaries paying income-related premiums; ensures that the expansion of telehealth in Medicare through flexibilities made available during the public health emergency are maintained through the length of the public health emergency, or December 31, 2021, whichever is later; expands allowable uses of relief payments to state and local governments to also include "revenue shortfalls;" prohibits state and local governments from using COVID-19-related financial relief to make a deposit into, or reimburse, funds that finance pensions or other postemployment benefits.

Action Taken: Monitoring

Status: 7/27/2020 - Referred to the Senate Committee on Finance.
