

Memorandum

DATE: June 18, 2018
TO: Members of the Board of Retirement
FROM: Gina M. Ratto, General Counsel
SUBJECT: LEGISLATIVE UPDATE

Written Report

Background/Discussion

The California Legislature reconvened on January 3, 2018 to commence the second year of the 2017 - 2018 legislative session. The 2018 Legislative Calendar is attached for the Board's information.

A comprehensive list and description of the pending bills that staff is monitoring is attached. Below is a brief summary of the bills that may be of greater interest to the Board. **Updates to the last report to the Board are indicated in bold and underlined text.**

SACRS Sponsored Bills

- **SB 1270 (Vidak)** The CERL authorizes the retirement boards of five specified counties to appoint assistant administrators and chief investment officers who, following appointment, are outside county charter, civil service, and merit system rules, except as specified. The CERL provides that these administrators and officers are employees of the county, as specified, while serving at the pleasure of the appointing boards, and that they may be dismissed without cause. This bill would apply these provisions to any county if the board of supervisors for that county, by resolution adopted by majority vote, makes those provisions applicable in the county. **(STATUS: In Assembly PERSS Committee. June 6 hearing postponed by Committee.)**

Bills That Would Amend the CERL or Other Laws That Apply to OCERS

- **AB 283 (Cooper)** would amend the CERL to require, for purposes of determining permanent incapacity of certain peace officers, that those members be evaluated by the retirement system to determine if they can perform all of the usual and customary duties of a peace officer as described under Section 830 of the Penal Code. The bill would apply to members who file applications for disability on or after the effective date of the bill, except for cases on appeal at that time. **(STATUS: In Senate PE&R Committee.)**
- **AB 1912 (Rodriguez)** Under existing law, the Joint Exercise of Powers Act ("JPA Act"), the debts, liabilities and obligations of a joint powers authority ("JPA") are the debts, liabilities and obligations of the parties to the JPA agreement "unless the agreement specifies otherwise." This bill would amend this

provision of the JPA Act to state that the parties to the JPA agreement are not permitted to “agree otherwise” with respect to the retirement liabilities of the JPA if the JPA contracts with a public retirement system (including a CERL system). So, in other words, the JPA agreement can’t relieve any of the parties to the agreement of their liability for the pension obligation. This provision of the bill is prospective.

AB 1912 would also add a section to the JPA Act to state that a JPA that contracts with a public retirement system and the members of the JPA – both current and former – shall mutually agree among them as to the apportionment of the JPA’s retirement obligations, provided that the agreement equals the total retirement liability of the JPA. A copy of the mutual agreement must be provided to the retirement board.

- Under the previous version of AB 1912, the new section of the JPA Act would have specified that all current and former members of the JPA are jointly and severally liable for the retirement liability of the JPA. Note that a different provision of AB 1912 would amend the PERL to state that “On or after January 1, 2019, the [CalPERS] board shall not contract with any [JPA] unless all the parties to [the JPA] agreement, including all amendments thereto, are jointly and severally liable for all of the ... obligations to the [CalPERS] system.”

Further, if the members of the JPA are unable to mutually agree to apportionment of the total retirement liability, then the board of the retirement system shall apportion the retirement liability to each member of the JPA based on the share of service received from the JPA by each member of the JPA or the population of each member of the JPA, such that the apportionment equals the total retirement liability of the JPA, and the apportionment shall be reflected in the agreement between the JPA and the retirement board. However, if, after the board of the retirement system apportions the retirement liability, the members of the JPA mutually agree to the apportionment, the agreement of the members of the JPA on apportionment will control. The new section of the JPA Act applies retroactively to all parties, current and former, to the JPA agreement.

The bill also amends several other provisions of the PERL with respect to JPAs participating in the CalPERS plan and PERL provisions affecting termination of participation by JPAs in the CalPERS plan.

(STATUS: In Senate.)

- **AB 2076 (Rodriguez)** The CERL authorizes the Los Angeles County Employees Retirement Association (LACERA) to adjust retirement payments due to errors or omissions, as specified, permits a member permanently incapacitated for duty to retire for disability only if specified criteria are met, and requires the LACERA board to determine the effective_date of retirement in those cases, as specified. This bill would authorize LACERA to correct a prior board decision determining the effective date of retirement for a member permanently incapacitated for disability that was made between January 1, 2013, and December 31, 2015, and was based upon an error of law existing at the time of the decision, as specified. The bill would authorize a member seeking correction under these provisions to file an

application with the board no later than one year from the date these provision, become operative. **(STATUS: Referred to Senate PE&R Committee on 4/19/18.)**

- **SB 1244 (Wieckowski)** The California Public Records Act (CPRA) requires state and local agencies to make their public records available for public inspection and to make copies available upon request and payment of a fee, unless the public records are exempt from disclosure. The CPRA makes specified records exempt from disclosure and provides that disclosure by a state or local agency of a public record that is otherwise exempt constitutes a waiver of the exemption.

Further, the CPRA requires a court to award court costs and reasonable attorney fees to the plaintiff if the plaintiff prevails in litigation filed pursuant to the CPRA, and requires the court to award court costs and reasonable attorney fees to the public agency if the court finds that the plaintiff's case is clearly frivolous. This bill would replace "plaintiff" with "requester" in that provision. **(STATUS: In Assembly.)**

Other Bills of Interest

- **AB 2571 (Fletcher)** This bill, if consistent with fiduciary responsibilities of a public investment fund as determined by its board, would require a public investment fund to require alternative investment vehicles to report at least annually certain information concerning specified hospitality employers relating to race and gender pay equity and sexual harassment. The bill would require a public investment fund to disclose the information provided to the fund at least once annually in a report presented at a meeting open to the public and would require the fund to provide the report upon request to a member of the Legislature. The bill would authorize the Department of Fair Employment and Housing to issue regulations for the implementation of these reporting requirements. The bill would define terms for purposes of the reporting provisions and repeal the reporting provisions on January 1, 2022.

Existing law provides that board members and other officers and employees of CalPERS and CalSTRS, and certain other entities, shall be held harmless and eligible for indemnification from the General Fund in connection with prescribed actions relating to prohibited investments. The bill would additionally provide that board members of any public pension or retirement system, other officers and employees, and investment managers under contract with the system would also be held harmless and eligible for indemnification from the General Fund in connection with actions taken pursuant to the bill. **(STATUS: In Assembly PRSS Committee.)**

- **AB 3084 (Levine)** Existing law requires all state and local public retirement systems to submit audited financial statements to the State Controller at the earliest practicable opportunity within 6 months of the close of each fiscal year. This bill would require each governing body of a public agency that provides other postemployment benefits to, in an annual financial statement submitted to the Controller, in a form prescribed by the Controller, show that the public agency has met or if it has not met, detail why it has not met, and what the public agency is doing to meet, specified parameters related to the provision of other postemployment benefits, including (a) Making targeted prefunding contributions on a timely basis; (b) Depositing contributions in an irrevocable qualified trust for the exclusive benefit of plan

members; (c) Investing contributions in excess of any pay-as-you-go amounts in a diversified investment portfolio with a defined investment policy; and (d) Ensuring that the discounted rate used to develop the actuarial account liability and normal cost recognizes the expected return of the entire portfolio.

(STATUS: In APPR Committee. Held under submission.)

- **AB 3150 (Brough)** Existing law requires each state and local public pension or retirement system, on and after the 90th day following the completion of the annual audit of the system, to provide a concise annual report on the investments and earnings of the system, as specified, to any member who makes a request and pays a fee, if required, for the costs incurred in preparation and dissemination of that report. This bill would also require each state and local pension or retirement system to post a concise annual audit of the information described above on that system's Internet Web site no later than the 90th day following the audit's completion. By imposing new duties on local retirement systems, the bill would impose a state-mandated local program. **(STATUS: In Assembly PRSS Committee.)**

Bills that apply to CalPERS and/or CalSTRS Only:

- **SB 964 (Allen)** This bill would, until January 1, 2035, require CalPERS and CalSTRS to analyze climate-related financial risk, as defined, to the extent the CalPERS and CalSTRS boards identify the risk as a material risk to the retirement system. The bill, by January 1, 2020, and every 3 years thereafter, would require each board to publicly report on the climate-related financial risk of its public market portfolio, including alignment of each system with a specified climate agreement and California climate policy goals and the exposure of the fund to long-term risks, as specified. The bill would provide that it does not require either board to take action unless the board determines in good faith that the action is consistent with its fiduciary responsibilities. **(STATUS: In Assembly.)**
- **SB 1033 (Moorlach)** The PERL authorizes retirement systems to enter into agreements to provide certain reciprocal benefits to employees that are employed by other agencies that are parties to the agreement if the employees meet specified requirements, a practice commonly referred to as reciprocity. Reciprocity provides for the application of the final compensation paid by a subsequent employer to service provided to a prior employer. The PERL provides that a public agency that has agreed to reciprocity with CalPERS also has reciprocity with all other agencies that have entered into those agreements with CalPERS, among others. The PERL requires the CalPERS Board to ensure that a contracting agency that creates a significant increase in actuarial liability as a result of increased compensation paid to a nonrepresented employee bears the associated liability, except as specified, including a portion that would otherwise be borne by another contracting agency. The PERL requires the system actuary to assess an increase in liability, in this regard, to the employer that created it at the time the increase is determined and to make adjustments to that employer's contribution rates to account for the increased liability. This bill would require that an agency participating in CalPERS that increases the compensation of a member who was previously employed by a different agency to bear all actuarial liability for the action, if it results in an increased actuarial liability beyond what would have been reasonably expected for the member. The bill would require, in this context, that the increased actuarial liability be in addition to reasonable compensation growth that is anticipated for a member who works for an employer or multiple employers over an extended time. The bill would require, if

multiple employers cause increased liability, that the liability be apportioned equitably among them. The bill would apply to an increase in actuarial liability, as specified, due to increased compensation paid to an employee on and after January 1, 2019. (STATUS: In Senate PE&R Committee.)

- **SB 1124 (Leyva) Amended May 25, 2018.** This bill would establish new procedures under the PERL for cases in which a member's benefits are erroneously calculated by the state or a contracting agency. The bill, with respect to a memorandum of understanding (MOU) entered into before January 1, 2019, would require the system, upon determining that compensation for an employee member covered by that MOU reported by the state or a contracting agency conflicts with specified law, to discontinue the reporting of the disallowed compensation and not to pay benefits based on the disallowed compensation, except as provided. The bill would require the contributions made on the disallowed compensation, for active members, to be credited against future contributions on behalf of the member. The bill would require CalPERS, with respect to retired members or beneficiaries whose final compensation at retirement was predicated upon disallowed compensation, to permanently adjust the benefit to reflect the inclusion of the disallowed compensation. The bill would also require that the retired member or beneficiary be permitted to retain the benefit level and not be required to repay that benefit, if, among other things, the member was unaware the compensation was disallowed when reported. The bill would require the applicable state or contracting agency to pay the cost associated with the new entitlement, as specified. This bill contains other related provisions and other existing laws. (STATUS: Passed Senate and ordered to Assembly.)
- **SB 1166 (Pan) Amended May 25, 2018.** This bill would require that any CalPERS contracting agency that fails to make its required employer contributions on time to notify members and retired members who are current or past employees of that agency, or their beneficiaries, of the agency's delinquency by mail within 30 days of the payment having become delinquent. The bill would require the board to provide contact information in a specified format to contracting agencies for the purpose of providing notice to members and retired members who are current or past employees of that agency, or to their beneficiaries, and would prescribe a process in this regard. The bill would immunize contracting agencies for failure to provide notice if the contact information is incomplete or incorrect. (STATUS: Passed Senate and ordered to Assembly.)
- **SB 1413 (Nielsen) Amended May 25, 2018.** This bill would enact the California Employers' Pension Prefunding Trust Program and establish the California Employers' Pension Prefunding Trust Fund to allow state and local public agency employers that participate in CalPERS and provide a defined benefit pension plan to their employees to prefund their required pension contributions. The bill contains other related provisions. (STATUS: Passed Senate and ordered to Assembly.)

Divestment Proposals (CalPERS and CalSTRS Only)

- **AB 1597 (Nazarian)** This bill would prohibit new investments and require liquidation of existing investments of CalPERS and CalSTRS in investment vehicles issued, owned, controlled or managed by the government of Turkey. (STATUS: In Senate PE&R Committee.)

Attachments

Submitted by:

A handwritten signature in cursive script that reads "Gina M. Ratto". The signature is written in black ink and is positioned above a horizontal line.

Gina M. Ratto
General Counsel

**2017—2018 LEGISLATIVE SESSION BILLS OF INTEREST
LEGISLATIVE UPDATE (June 18, 2018) – ATTACHMENT**

AB 283 (Cooper): The CERL currently provides that a member who is permanently incapacitated shall be retired for disability despite age if, among other conditions, the member’s incapacity is a result of injury or disease arising out of and in the course of the member’s appointment, and that employment contributes substantially to that incapacity or the member has completed five years of service and not waived retirement in respect to the particular incapacity or aggravation thereof, as specified. The bill would amend the CERL to require, for purposes of determining permanent incapacity of certain peace officers, that those members be evaluated to determine if they can perform all of the usual and customary duties of a peace officer as described under Section 830 of the Penal Code. The bill would apply to members who file applications for disability on or after the effective date of the bill , except for cases on appeal at that time. **(STATUS: In Senate PE&R Committee.)**

AB 526 (Cooper) This bill would make the Sacramento County Employees Retirement System a district under the CERL. **(STATUS: In Senate PE&R Committee.)**

AB 1597 (Nazarian) This bill would prohibit CalPERS and CalSTRS from making additional or new investments, or renewing existing investments, in an investment vehicle in Turkey that is issued by the government of Turkey or that is owned, controlled, or managed by the government of Turkey. The bill would also require the boards to liquidate existing investments in Turkey in these types of investment vehicles within six months of the passage of a federal law imposing sanctions on Turkey. **(STATUS: In Senate PE&R Committee.)**

AB 1912 (Rodriguez) Under the Joint Exercise of Powers Act (“JPA Act”), the debts, liabilities and obligations of a joint powers authority (“JPA”) are the debts, liabilities and obligations of the parties to the JPA agreement “unless the agreement specifies otherwise.” This bill would amend this provision of the JPA Act to state that the parties to the JPA agreement are not permitted to “agree otherwise” with respect to the retirement liabilities of the JPA if the JPA contracts with a public retirement system (including a CERL system). So, in other words, the JPA agreement can’t relieve any of the parties to the agreement of their liability for the pension obligation. This provision of the bill is prospective.

AB 1912 would also add a section to the JPA Act to state that a JPA that contracts with a public retirement system and the members of the JPA – both current and former – shall mutually agree among them as to the apportionment of the JPA’s retirement obligations, provided that the agreement equals the total retirement liability of the JPA. A copy of the mutual agreement must be provided to the retirement board.

- Under the previous version of AB 1912, the new section of the JPA Act would have specified that all current and former members of the JPA are jointly and severally liable for the retirement liability of the JPA. Note that a different provision of AB 1912 would amend the PERL to state that “On or after January 1, 2019, the [CalPERS] board shall not contract with any [JPA] unless all the parties to [the

JPA] agreement, including all amendments thereto, are jointly and severally liable for all of the ... obligations to the [CalPERS] system.”

Further, if the members of the JPA are unable to mutually agree to apportionment of the total retirement liability, then the board of the retirement system shall apportion the retirement liability to each member of the JPA based on the share of service received from the JPA by each member of the JPA or the population of each member of the JPA, such that the apportionment equals the total retirement liability of the JPA, and the apportionment shall be reflected in the agreement between the JPA and the retirement board. However, if, after the board of the retirement system apportions the retirement liability, the members of the JPA mutually agree to the apportionment, the agreement of the members of the JPA on apportionment will control. The new section of the JPA Act applies retroactively to all parties, current and former, to the JPA agreement.

The bill also amends several other provisions of the PERL with respect to JPAs participating in the CalPERS plan and PERL provisions affecting termination of participation by JPAs in the CalPERS plan. **(STATUS: In Senate.)**

AB 2076 (Rodriguez) The CERL authorizes a county retirement system in Los Angeles County to adjust retirement payments due to errors or omissions, as specified, and permits a member permanently incapacitated for duty to retire for disability only if specified criteria are met and requires the board to determine the effective date of retirement in those cases, as specified. This bill would authorize a county retirement system in Los Angeles County to correct a prior board decision determining the effective date of retirement for a member permanently incapacitated for disability that was made between January 1, 2013, and December 31, 2015, and was based upon an error of law existing at the time of the decision, as specified. The bill would authorize a member seeking correction under these provisions to file an application with the board no later than one year from the date these provision, become operative. **(STATUS: Referred to Senate PE&R Committee on 4/19/18.)**

AB 2196 (Cooper) (1) Under the PERL, members may make certain elections, including elections to purchase service credit for various types of public service, upon payment of additional contributions. Existing law permits a member who retires before paying off the entire amount for service credit to pay the balance due or total amount if no payroll deductions had been made prior to retirement by deductions from his or her retirement allowance equal to those authorized as payroll deductions, as specified. This bill would permit the member, survivor, or beneficiary, as an alternative, to elect to receive an allowance that is reduced by the actuarial equivalent of any balance remaining unpaid by the member. The bill would also provide that all elections taking effect on or after January 1, 2019, including elections for normal contributions, arrears contributions, absences, or public service, would become due and payable at the time of member’s retirement or preretirement death. The bill would additionally require the member, survivor, or beneficiary to have his or her allowance reduced by the actuarial equivalent of any balance remaining unpaid by the member, except as specified.

(2) Existing law permits a member of CalPERS who has elected to receive credit for service and who retires for disability, including a safety member who retires due to industrial disability, to elect to cancel the installments prospectively, in accordance with certain provisions. This bill would specify that for an election taking place on

or after January 1, 2019, the amount of the election remaining for normal contributions, arrears, contributions, absences, or public service would become due and payable at the time of the member's retirement or preretirement death. The bill would provide that in these circumstances the member, survivor, or beneficiary would have his or her allowance reduced by the actuarial equivalent of any balance remaining unpaid by the member.

(3) Existing law specifies that an election by a member to receive credit for service under the PERL is effective only if accompanied by a lump-sum payment or an authorization for payments, in accordance with regulations of the CalPERS board; authorizes a member paying for credit for service in after-tax installments to suspend these payments for a period not to exceed 12 months, with payments automatically resuming at the end of the period or earlier, if requested by the member; and permits a member who retires during the suspension period to make, prior to retirement, a lump-sum payment for the recalculated balance due or cancel installment payments. This bill would permit a member, as an alternative to these two options, to reduce his or her allowance by the actuarial equivalent of the recalculated balance remaining unpaid by the member.

(4) Under the provisions of the PERL governing the payment of additional service credit, a member's failure to elect to make a lump-sum payment of the election to cancel installment payments results in the resumption of installment payments as of the member's retirement date. This bill would revise that provision to instead provide that, effective on or after January 1, 2019, a member's failure to elect to make a lump-sum payment or cancel his or her installment payments would result in the member's allowance being reduced by the actuarial equivalent of the recalculated balance remaining unpaid.

(5) The PERL establishes retirement formulas, known as the Second Tier, modified First Tier, and First Tier, which are applicable to specified members of the retirement system, and a member who elects to be subject to Second Tier benefits is paid his or her accumulated contributions plus interest, subject to specified conditions. Effective January 1, 2000, a member who received service credit subject to Second Tier benefits may elect to become subject to First Tier benefits and contribution rates. That law requires a member who elects to become subject to First Tier benefits to deposit accumulated contributions the member withdrew while he or she was subject to Second Tier benefits, plus interest, as specified, and this deposit requirement may be satisfied by an actuarial equivalent reduction in the member's retirement allowance. This bill would instead specify that this deposit requirement may be satisfied by an election to reduce the member's allowance by the actuarial equivalent of any balance remaining unpaid by the member at the time of the member's retirement or preretirement death. The bill would also specify that, for a member who elects to receive First Tier Credit on or after January 1, 2019, any unpaid balance of that member would become due and payable at the time of the member's retirement or preretirement death, with the member, survivor, or beneficiary's allowance reduced by the actuarial equivalent of any balance remaining unpaid by the member. **(STATUS: In Senate PE&R Committee.)**

AB 2571 (Fletcher) Amended 4/11/18 This bill, if consistent with fiduciary responsibilities of a public investment fund as determined by its board, would require a public investment fund to require alternative investment vehicles to report at least annually certain information concerning specified hospitality employers relating to

race and gender pay equity and sexual harassment. The bill would require the fund to disclose the information it receives at least once annually in a report presented at a meeting open to the public and would require the fund to provide the report upon request to a member of the Legislature. The bill would authorize the Department of Fair Employment and Housing to issue regulations for the implementation of these reporting requirements. The bill would define terms for purposes of the reporting provisions and repeal the reporting provisions on January 1, 2022.

Existing law provides that board members and other officers and employees of CalPERS and CalSTRS, and certain other entities, shall be held harmless and eligible for indemnification from the General Fund in connection with prescribed actions relating to prohibited investments. The bill would additionally provide that board members of any public pension or retirement system, other officers and employees, and investment managers under contract with the system shall also be held harmless and be eligible for indemnification from the General Fund in connection with actions taken pursuant to the bill. **(STATUS: In Assembly PRSS Committee.)**

AB 3084 (Levine) Amended April 10, 2018. Existing law requires all state and local public retirement systems to submit audited financial statements to the State Controller at the earliest practicable opportunity within 6 months of the close of each fiscal year. This bill would require each governing body of a public agency that provides other postemployment benefits to, in an annual financial statement submitted to the Controller, in a form prescribed by the Controller, show that the public agency has met or if it has not met, detail why it has not met, and what the public agency is doing to meet, specified parameters related to the provision of other postemployment benefits, including (a) Making targeted prefunding contributions on a timely basis; (b) Depositing contributions in an irrevocable qualified trust for the exclusive benefit of plan members; (c) Investing contributions in excess of any pay-as-you-go amounts in a diversified investment portfolio with a defined investment policy; and (d) Ensuring that the discounted rate used to develop the actuarial account liability and normal cost recognizes the expected return of the entire portfolio. **(STATUS: In APPR Committee. Held under submission.)**

AB 3150 (Brough) Existing law requires each state and local public pension or retirement system, on and after the 90th day following the completion of the annual audit of the system, to provide a concise annual report on the investments and earnings of the system, as specified, to any member who makes a request and pays a fee, if required, for the costs incurred in preparation and dissemination of that report. This bill would also require each state and local pension or retirement system to post a concise annual audit of the information described above on that system's Internet Web site no later than the 90th day following the audit's completion. By imposing new duties on local retirement systems, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws. **(STATUS: In Assembly PRSS Committee.)**

SB 964 (Allen) Amended March 14, 2018. This bill would, until January 1, 2035, require CalPERS and CalSTRS to analyze climate-related financial risk, as defined, to the extent the CalPERS and CalSTRS boards identify the risk as a material risk to the retirement system. The bill, by January 1, 2020, and every 3 years thereafter, would require each board to publicly report on the climate-related financial risk of its public market portfolio, including alignment of each system with a specified climate agreement and California climate policy goals and the

exposure of the fund to long-term risks, as specified. The bill would provide that it does not require either board to take action unless the board determines in good faith that the action is consistent with its fiduciary responsibilities. **(STATUS: In Assembly.)**

SB 1033 (Moorlach) The PERL authorizes retirement systems to enter into agreements to provide certain reciprocal benefits to employees that are employed by other agencies that are parties to the agreement if the employees meet specified requirements, a practice commonly referred to as reciprocity. Reciprocity provides for the application of the final compensation paid by a subsequent employer to service provided to a prior employer. The PERL provides that a public agency that has agreed to reciprocity with CalPERS also has reciprocity with all other agencies that have entered into those agreements with CalPERS, among others. The PERL requires the CalPERS Board to ensure that a contracting agency that creates a significant increase in actuarial liability as a result of increased compensation paid to a nonrepresented employee bears the associated liability, except as specified, including a portion that would otherwise be borne by another contracting agency. The PERL requires the system actuary to assess an increase in liability, in this regard, to the employer that created it at the time the increase is determined and to make adjustments to that employer's contribution rates to account for the increased liability. This bill would require that an agency participating in CalPERS that increases the compensation of a member who was previously employed by a different agency to bear all actuarial liability for the action, if it results in an increased actuarial liability beyond what would have been reasonably expected for the member. The bill would require, in this context that the increased actuarial liability be in addition to reasonable compensation growth that is anticipated for a member who works for an employer or multiple employers over an extended time. The bill would require, if multiple employers cause increased liability, that the liability be apportioned equitably among them. The bill would apply to an increase in actuarial liability, as specified, due to increased compensation paid to an employee on and after January 1, 2019. **(STATUS: In Senate PE&R Committee.)**

SB 1060, 1061, 1062 (Mendoza) The PERL requires certain public employers to contribute moneys to CalPERS. Existing law prohibits the state, school employers, and contracting agencies, as defined, from refusing to pay the employers' contribution as required by the PERL. SB 1060 would require a contracting agency that fails to make a required contribution to CalPERS to notify members of the delinquency within 30 days, as specified. The State Teachers' Retirement Law establishes the Defined Benefit Program of the CalSTRS. The law requires certain employers, as defined, to contribute moneys to the CalSTRS). SB 1061 would require an employer that fails to make a required contribution to CalSTRS to notify members of the delinquency within 30 days, as specified. SB 1062 would require certain employers that fail to make a required employer contribution to CalSTRS or CalPERS to notify members of the delinquency within 30 days, as specified. **(STATUS: In Senate; pending referral.)**

SB 1124 (Leyva) Amended May 25, 2018. This bill would establish new procedures under the PERL for cases in which a member's benefits are erroneously calculated by the state or a contracting agency. The bill, with respect to a memorandum of understanding (MOU) entered into before January 1, 2019, would require the system, upon determining that compensation for an employee member covered by that MOU reported by the state or a contracting agency conflicts with specified law, to discontinue the reporting of the disallowed

compensation and not to pay benefits based on the disallowed compensation, except as provided. The bill would require the contributions made on the disallowed compensation, for active members, to be credited against future contributions on behalf of the member. The bill would require CalPERS, with respect to retired members or beneficiaries whose final compensation at retirement was predicated upon disallowed compensation, to permanently adjust the benefit to reflect the inclusion of the disallowed compensation. The bill would also require that the retired member or beneficiary be permitted to retain the benefit level and not be required to repay that benefit, if, among other things, the member was unaware the compensation was disallowed when reported. The bill would require the applicable state or contracting agency to pay the cost associated with the new entitlement, as specified. This bill contains other related provisions and other existing laws. (STATUS: Passed Senate and ordered to Assembly.)

SB 1166 (Pan) Amended May 25, 2018. This bill would require that any CalPERS contracting agency that fails to make its required employer contributions on time to notify members and retired members who are current or past employees of that agency, or their beneficiaries, of the agency's delinquency by mail within 30 days of the payment having become delinquent. The bill would require the board to provide contact information in a specified format to contracting agencies for the purpose of providing notice to members and retired members who are current or past employees of that agency, or to their beneficiaries, and would prescribe a process in this regard. The bill would immunize contracting agencies for failure to provide notice if the contact information is incomplete or incorrect. (STATUS: Passed Senate and ordered to Assembly.)

SB 1244 (Wieckowski) The California Public Records Act (CPRA) requires state and local agencies to make their public records available for public inspection and to make copies available upon request and payment of a fee, unless the public records are exempt from disclosure. The CPRA makes specified records exempt from disclosure and provides that disclosure by a state or local agency of a public record that is otherwise exempt constitutes a waiver of the exemption.

Further, the CPRA requires a court to award court costs and reasonable attorney fees to the plaintiff if the plaintiff prevails in litigation filed pursuant to the CPRA, and requires the court to award court costs and reasonable attorney fees to the public agency if the court finds that the plaintiff's case is clearly frivolous. This bill would replace "plaintiff" with "requester" in that provision. **(STATUS: In Assembly.)**

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SB 1413 (Nielsen) Amended May 25, 2018. This bill would enact the California Employers' Pension Prefunding Trust Program and establish the California Employers' Pension Prefunding Trust Fund to allow state and local

public agency employers that participate in the CalPERS plan that provide a defined benefit pension plan to their employees to prefund their required pension contributions. The bill contains other related provisions. (STATUS: Passed Senate and ordered to Assembly.)

2018 TENTATIVE LEGISLATIVE CALENDAR
 COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE
 Revised 11/16/16

DEADLINES

JANUARY						
S	M	T	W	TH	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

- Jan. 1** Statutes take effect (Art. IV, Sec. 8(c)).
- Jan. 3** **Legislature Reconvenes** (J.R. 51(a)(4)).
- Jan. 10** Budget must be submitted by Governor (Art. IV, Sec. 12(a)).
- Jan. 12** Last day for **policy committees** to hear and report to **fiscal committees** fiscal bills introduced in their house in the **odd-numbered year** (J.R. 61(b)(1)).
- Jan. 15** Martin Luther King, Jr. Day.
- Jan. 19** Last day for any committee to hear and report to the **floor** bills introduced in that house in the odd-numbered year (J.R. 61(b)(2)). Last day to **submit bill requests** to the Office of Legislative Counsel.
- Jan. 31** Last day for each house to **pass bills introduced** in that house in the odd-numbered year (J.R. 61(b)(3), (Art. IV, Sec. 10(c)).

FEBRUARY						
S	M	T	W	TH	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

- Feb. 16** Last day for bills to be **introduced** (J.R. 61(b)(4), (J.R. 54(a)).
- Feb. 19** Presidents' Day.

MARCH						
S	M	T	W	TH	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

- Mar. 22** **Spring Recess** begins upon adjournment of this day's session (J.R. 51(b)(1)).
- Mar. 30** Cesar Chavez Day observed.

APRIL						
S	M	T	W	TH	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

- Apr. 2** **Legislature Reconvenes** from Spring Recess (J.R. 51(b)(1)).
- Apr. 27** Last day for **policy committees** to hear and report to **fiscal committees** fiscal bills introduced in their house (J.R. 61(b)(5)).

MAY						
S	M	T	W	TH	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

- May 11** Last day for **policy committees** to hear and report to the floor **nonfiscal** bills introduced in their house (J.R. 61(b)(6)).
- May 18** Last day for **policy committees** to meet prior to June 4 (J.R. 61(b)(7)).
- May 25** Last day for **fiscal committees** to hear and report to the floor bills introduced in their house (J.R. 61(b)(8)). Last day for **fiscal committees** to meet prior to June 4 (J.R. 61(b)(9)).
- May 28** Memorial Day.
- May 29- June 1 Floor Session only.** No committees, other than conference or Rules committees, may meet for any purpose (J.R. 61 (b)(10)).

*Holiday schedule subject to Senate Rules committee approval

2018 TENTATIVE LEGISLATIVE CALENDAR
 COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE
 Revised 11/16/16

JUNE						
S	M	T	W	TH	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

- June 1** Last day for each **house to pass bills** introduced in that house (J.R. 61(b)(11)).
- June 4** Committee meetings may resume (J.R. 61(b)(12)).
- June 15** Budget Bill must be passed by **midnight** (Art. IV, Sec. 12(c)(3)).
- June 28** Last day for a legislative measure to qualify for the Nov. 6 General Election ballot (Elections code Sec. 9040).
- June 29** Last day for **policy committees** to hear and report **fiscal bills** to fiscal committees (J.R. 61(b)(13)).

JULY						
S	M	T	W	TH	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

- July 4** Independence Day.
- July 6** Last day for **policy committees** to meet and report bills (J.R. 61(b)(14)). **Summer Recess** begins upon adjournment provided Budget Bill has been passed (J.R. 51(b)(2)).

AUGUST						
S	M	T	W	TH	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

- Aug. 6** **Legislature Reconvenes** (J.R. 51(b)(2)).
- Aug. 17** Last day for **fiscal committees** to meet and report bills (J.R. 61(b)(15)).
- Aug. 20-31 Floor Session only.** No committees, other than Conference and Rules Committees, may meet for any purpose (J.R. 61(b)(16)).
- Aug. 24** Last day to **amend** on the floor (J.R. 61(b)(17)).
- Aug. 31** Last day for **each house to pass bills**, except bills that take effect immediately or bills in Extraordinary Session (Art. IV, Sec. 10(c), (J.R. 61(b)(18)). **Final Recess** begins upon adjournment (J.R. 51(b)(3)).

*Holiday schedule subject to Senate Rules committee approval

IMPORTANT DATES OCCURRING DURING INTERIM STUDY RECESS

2018

- Sept. 30 Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor's possession on or after Sept. 1 (Art. IV, Sec. 10(b)(2)).
- Nov. 6 General Election
- Nov. 30 Adjournment *Sine Die* at midnight (Art. IV, Sec. 3(a)).
- Dec. 3 12 Noon convening of the 2019-20 Regular Session (Art. IV, Sec. 3(a)).

2019

- Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).