



MEMORANDUM

DATE March 5, 2020 **PHONE** (909) 885-7980
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TO **BOARD OF TRUSTEES**
 San Bernardino County Employees'
 Retirement Association

SUBJECT REVIEW CALIFORNIA LEGISLATION 2019 - 2020

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Updated information reflected in red. This is the second year of the 2019-2020 Legislative Term.

I. County Employees' Retirement

AB 287 -- Annual audits. (Voepel)

Subject: Amends Government Code section 7512

Status: **January 31, 2020 – Inactive Bill - Died pursuant to Art. IV. Sec. 10(c) of the Constitution**

Existing law creates state and local public pension and retirement systems that provide pension benefits based on age at retirement, service credit, and final compensation. 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 website 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.

AB 472-- Returning Retiree (Voepel)

Subject: Amends Government Code Section 7522.56

Status: **February 3, 2020 – Inactive Bill - Died at Desk.**

Existing law, the California Public Employees' Pension Reform Act of 2013, establishes various limits on retirement benefits generally applicable to a public employee retirement system, as defined. The act prescribes, among other things, limits on service after retirement without reinstatement into the applicable retirement system.

This bill would make nonsubstantive changes to that provision.

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AB 664 – Permanent Incapacity

Active Bill – In Committee Process – May 1, 2020 – Last day for policy committees to hear and report to the Floor non-fiscal bills introduced in their house.

Subject: Add Section 31720.2 of the Government Code relating to county employees' retirement.

Status: June 26, 2019 – In committee: Set, first hearing. Hearing canceled at the request of author.

The County Employees Retirement Law of 1937 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 employment, and that employment contributes substantially to that incapacity or the member has completed 5 years of service and not waived retirement in respect to the particular incapacity or aggravation thereof, as specified.

This bill would require, for purposes of determining permanent incapacity of certain members employed as peace officers in the County of Sacramento, 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 specified. The bill would apply to members who file applications for disability on or after the effective date of the act, except for cases on appeal at that time. The bill would require the board of retirement to develop a method of tracking the costs of providing permanent disability retirement to the members who become eligible for disability retirement pursuant to the bill's provisions. The bill would repeal these provisions on December 31, 2024.

AB 2937 – Non-Service Connected Disability Retirement

Subject: Amends Government Code section 31726, 31726.5, and 31838

Status: Introduced February 21, 2020. To print.

The County Employees Retirement Law of 1937 (CERL) authorizes counties to establish retirement systems pursuant to its provisions for the purpose of providing pension, disability, and death benefits to county and district employees. CERL prescribes the methods for calculating a non-service-connected disability retirement for different membership classifications and for the purpose of calculating reciprocal benefits. In these instances, the sum of allowance may vary depending on whether or not the retirement board finds, in its opinion, the member's disability is due to intemperate use of alcoholic liquor or drugs, among other things. In this regard, CERL conditions the purchase of a disability retirement pension by county or district contributions on a finding

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by the board that the member's disability is not the result of intemperate use of alcoholic liquor or drugs.

This bill would create an optional provision, to be elected by a county board of supervisors by resolution adopted by majority vote, that would remove the retirement board's assessment regarding the intemperate use of alcoholic liquor or drugs as a condition on the purchase of a disability retirement pension by county or district contributions.

AB 2967 – County Employees' Retirement

Subject: Amends Government Code sections 31470.4, 31470.5, 31887.

Status: Introduced February 21, 2020. Read for First Time
February 24, 2020

The County Employees Retirement Law of 1937 authorizes counties to establish retirement systems pursuant to its provisions for the purpose of providing pension and death benefits to county and district employees, including firefighters. The County Peace Officers' Retirement Law and the County Peace Officer and Fire Service Retirement Plan Law, the County Fire Service Retirement Law, also provide retirement system structure options that a county may choose to adopt for purposes of providing benefits to specified peace officers and firefighters.

This bill would make nonsubstantive changes to those provisions. Replaces the word "firemen" with "firefighter;" "foremen" with "foreperson;" and "policeman" with "police officer."

AB 3249 -- Controller: Annual Report (Fong)

Subject: Amends Government Code section 7504

Status: Introduced February 21, 2020. To print.

Existing law requires state and local public retirement systems to submit audited financial statements to the Controller at the earliest practicable opportunity within 6 months of the close of each fiscal year, and requires the Controller, within 12 months of receipt of the information, to compile and publish a report on the financial condition of all state and local public retirement systems.

This bill would additionally require the Controller to post the report on the financial condition of all state and local public retirement systems on the Controller's internet website.

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SB 430 – Public Employees’ Retirement Benefits: Judges (Wieckowski)

Active Bill – In Committee Process – April 24, 2020 last day for policy committees to hear and report on fiscal committee’s fiscal bills introduced in their house.

Subject: Amends Government Code section 7522.04 and to add Section 7522.06

Status: June 26, 2019 – set for first hearing canceled at the request of author.

The California Public Employees’ Pension Reform Act of 2013 (PEPRA) generally requires a public retirement system, as defined, to modify its pension plan or plans to comply with the act, as specified. Among other things, PEPRA prohibits a public employer offering a defined benefit pension plan from exceeding specified retirement formulas for new members and prohibits an enhancement of a public employee’s retirement formula or benefit adopted after January 1, 2013, from applying to service performed prior to the operative date of the enhancement. PEPRA defines terms for those purposes, including defining “new member” to mean among other things, an individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and who was not a member of any other public retirement system prior to that date. Existing law creates the Judges’ Retirement System II, which is administered by the Board of Administration of the Public Employees’ Retirement System, for the provision of retirement and other benefits to specified judges and their beneficiaries.

This bill would grant a judge who was elected to office in 2012, but did not take office until on or after January 1, 2013, the option of making a one-time, irrevocable election to have a pre-January 1, 2013, membership status in the Judges’ Retirement System II for service accrued after on and after July 1, 2020. The bill would require the election to be made during a 30-day period beginning March 1, 2020. A judge making this election would no longer be a new member under specified provisions of PEPRA. The election would apply prospectively only, and membership rights and obligations that accrued based on service subject to PEPRA prior to July 1, 2020, would remain unchanged. The bill would specify that the Public Employees’ Retirement System is not obligated to inform or locate a person who may be eligible to make the election and that its provisions do not affect the Legislature’s reserved right to increase contributions or reduce benefits for purposes of the Judges’ Retirement System II.

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SB 783 – County Employees’ Retirement Law - Clean Up

Active Bill – In Committee Process – May 1, 2020 – Last day for policy committees to hear and report to the Floor non-fiscal bills introduced in their house.

Subject: Amends Government Code Sections 31465, 31627.1, 31627.2 and 31631.5

Status: Referred to Com. on L., P.E. & R (05/16/2019)

The County Employees Retirement Law of 1937 (CERL) authorizes counties to establish retirement systems pursuant to its provisions for the purpose of providing pension and death benefits to county and district employees. This bill would correct several erroneous and obsolete cross-references within CERL.

II. Public Employment

AB 2307 – Public Employment: Labor Relations: Release Time

Subject: Amends Government Code sections 3543.1; Adds Government Code section 3558.7; Repeals Government sections 3505.3, 3518.5, 3524.69, 3569, 71635, and 71821 relating to public employment.

Status: Introduced February 14, 2020. Read first time. To print.

Existing law, including the Meyers-Milias-Brown Act, the Ralph C. Dills Act, the Trial Court Employment Protection and Governance Act, the Trial Court Interpreter Employment and Labor Relations Act, Judicial Council Employer-Employee Relations Act, and the Los Angeles County Metropolitan Transportation Authority Transit Employer-Employee Relations Act, as well as provisions commonly referred to as the Educational Employment Relations Act and the Higher Education Employer-Employee Relations Act, regulates the labor relations of the state, the courts, and specified local public agencies and their employees. Existing law establishes other requirements relating to labor relations that are applicable to specified transit agencies. These acts grant specified public employees the right to form, join, and participate in the activities of employee organizations of their choosing and require public agency employers, among other things, to meet and confer with representatives of recognized employee organizations and exclusive representatives on terms and conditions of employment. These acts generally require the public entities in this context to grant employee representatives of recognized employee organizations reasonable time off without loss of compensation or benefits for certain purposes in connection with labor relations, commonly referred to as release time.

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This bill would prescribe requirements relating to release time that would apply to all of the public employers and employees subject to the acts described above and would generally repeal the provisions relating to release time in those acts. The bill would require these public employers to grant a reasonable number of employee representatives of the exclusive representative reasonable time off without loss of compensation or other benefits for specified activities. This requirement would apply to activities to investigate and process grievances or otherwise enforce a collective bargaining agreement or memorandum of understanding; to meet and confer or meet and negotiate with the public employer on matters within the scope of representation, including preparation for the activities specified in these provisions; to testify or appear as the designated representative of the exclusive representative in conferences, hearings, or other proceedings before the Public Employment Relations Board or similar bodies, as specified; to testify or appear as the designated representative of the exclusive representative before the governing body of the public employer, or a personnel, civil service, or merit commission, among others; and to serve as a representative of the exclusive representative for new employee orientations. The bill would require the exclusive representative to provide reasonable notice requesting an absence in this connection. The bill would specify that its provisions prescribe minimum release time rights and would prescribe requirements regarding the relation of its provisions to other labor agreements that address release time. The bill would prohibit the Public Employment Relations Board from enforcing these provisions with regard to public transit workers that are not otherwise subject to the board's jurisdiction.

AB 2433 -- Local Public Employee Organizations (Cooper)

Subject: Amends Government Code section 3505.7 relating to public employment.

Status: Introduced February 19, 2020. Read first time. To print.

The Meyers-Milias-Brown Act contains various provisions that govern collective bargaining of local represented employees, and delegates jurisdiction to the Public Employment Relations Board to resolve disputes and enforce the statutory duties and rights of local public agency employers and employees. The act requires the governing body of a public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized employee organizations. Under the act, if the representatives of the public agency and the employee organization fail to reach an agreement, they may mutually agree on the appointment of a mediator and equally share the cost. Existing law provides that after any applicable mediation and factfinding procedures have been exhausted, but no earlier than 10 days after the factfinders' written findings of fact and recommended terms of settlement have been submitted to the parties, a public agency that is not required to proceed to interest arbitration may, after holding a hearing regarding the impasse, implement its last, best, and final offer.

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This bill would revise the above-described timeframe to no earlier than 15 days after the factfinders' written findings of fact and recommended terms of settlement have been submitted to the parties.

SB 1173 – Public Employment: Labor Relations: Employee Information

Subject: Amends Government Code section 3558 relating to public employment.

Status: Introduced February 20, 2020. Read first time. To Com. On RLS for assignment. To print.

Existing law, including the Meyers-Milias-Brown Act, the Ralph C. Dills Act, the Trial Court Employment Protection and Governance Act, the Trial Court Interpreter Employment and Labor Relations Act, and the Los Angeles County Metropolitan Transportation Authority Transit Employer-Employee Relations Act, provisions commonly referred to as the Educational Employment Relations Act, and the Higher Education Employer-Employee Relations Act, among others, regulates the labor relations of the state, the courts, and specified local public agencies and their employees. Existing law requires these public employers to provide certain labor representatives with the names and home addresses of newly hired employees, as well as their job titles, departments, work locations, telephone numbers, and personal email addresses, within 30 days of hire or by the first pay period of the month following hire. Existing law also requires the public employers to provide this information for all employees in a bargaining unit at least every 120 days, except as specified.

This bill would impose liability on a public employer for violations of the above-described requirements if the violations occur 3 or more times in a 12-month period. In this instance, the employer would be liable for the reasonable expenses of an employee organization incurred in enforcing its rights, including staff time and payments to associated counsel.

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III. Local Government (including Brown Act & Public Records Act)

AB 315 –Local government: lobbying associations: expenditure of public funds. (Cristina Garcia)

Subject: Amend Sections 50024 and 53060.5 of the Government Code

Status: **January 31, 2020 - Inactive - Died pursuant to Art. IV, Sec. 10(c) of the Constitution.**

Existing law authorizes the legislative body of a local agency, defined as a county, city, or city and county, or a district, defined broadly to include other political subdivisions or public corporations in the state other than the state or a county, city and county, or city, to attend the Legislature and the Congress of the United States, and any committees thereof, and to present information regarding legislation that the legislative body or the district deems to be beneficial or detrimental to the local agency or the district. Existing law also authorizes the legislative body of a local agency or a district to enter into an association for these purposes and specifies that the cost and expense incident to the legislative body's or district's membership in the association and the activities of the association are proper charges against the local agencies or districts comprising the association.

This bill, with respect to moneys paid to or otherwise received by an association from a local agency or district member of the association, would prohibit an association of local agencies or districts from expending those moneys for any purpose other than the above-described activities and educational activities. The bill would require the association to publicly disclose the amount of those moneys expended on the above-described activities of the association. The bill would prohibit an association from incurring any travel-related expenses except as may be necessary for the association to hold an annual conference or other gathering of its members or to hold or send its members to attend educational activities, as defined.

AB 322 – Political Reform Act of 1974: online filing and disclosure system. (Gallagher)

Subject: Adds Government Code 84616

Status: **February 3, 2020 – Inactive Bill - Died on third reading file.**

The Political Reform Act of 1974 requires the filing of specified statements, reports and other documents. Under the act, a local government agency may require these filings to be made online or electronically with the local filing officer, as specified. The act requires

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the local filing officer to make all data so filed available on the internet in an easily understood format that provides the greatest public access.

This bill would require a local government agency to post on its internet website a copy of any specified statement, report, or other document filed with that agency in paper format. This bill would require that the statement, report, or other document be made available for four years from the date of the election associated with the filing. By imposing a new duty on local government agencies, this bill would impose a state-mandated local program.

AB 510 - Destruction of Records

Subject: Amends Government Code sections 26202, 34090.6, and 53160

Status: **January 31, 2020 - Died pursuant to Art. IV. Sec. 10(c) of the Constitution**

Existing law authorizes the head of a department of a county or city, or the head of a special district to destroy recordings of routine video monitoring maintained by that county, city, or special district after one year if that person receives approval from the legislative body and the written consent of the agency attorney. Existing law authorizes the head of a department of a county or city, or the head of a special district to destroy recordings of telephone and radio communications maintained by that county, city, or special district after 100 days if that person receives approval from the legislative body and the written consent of the agency attorney.

This bill would exempt the head of a department of a county or city, or the head of a special district from these recording retention requirements if the county, city, or special district adopts a records retention policy governing recordings of routine video monitoring and recordings of telephone and radio communications.

AB 992 - Open Meetings: Local Agencies: Social Media (Mullin)

Active Bill – In Floor Process – May 1, 2020 – Last day for policy committees to hear and report to the Floor non-fiscal bills introduced in their house.

Subject: Amends Government Code section 54952.2

Status: **January 20, 2020 – In Senate. Read First time to Com. RLS for assignment.**

The Ralph M. Brown Act generally requires that the meetings of legislative bodies of local agencies be conducted openly. That act defines “meeting” for purposes of the act and prohibits a majority of the members of a legislative body, outside a meeting authorized by the act, from using a series of communications of any kind to discuss,

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deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body.

This bill would provide that the prohibition described above does not apply to the participation, as defined, in an internet-based social media platform, as defined, that are ephemeral, live, or static, by a majority of the members of a legislative body, provided that a majority of the members do not discuss among themselves, as defined, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest. This bill would make legislative findings to that effect.

AB 1332 - Sanctuary State Contracting and Investment Act.

Subject: *Adds Chapter 17.23 (commencing with section 7283.50) to Division 7 of Title 1 of the Government Code relating to local government.*

Status: **January 31, 2020 - Inactive Bill - died pursuant to Art. IV, Sec. 10(c) of the Constitution.**

The bill, the Sanctuary State Contracting Act, would, among other things, require the Department of Justice, commencing on January 1, 2020, and quarterly thereafter, to publish a list on its internet website, based upon specified criteria, of each person or entity that, in the opinion of the Department of Justice, is providing data broker, extreme vetting, or detention facilities support to any federal immigration agency, as specified.

The bill would prohibit a state or local agency from entering into a new, amended, or extended contract or agreement with any person or entity that appears on the list published by the Department of Justice unless the state or local agency has made a finding that no reasonable alternative exists, as specified. The bill would exempt certain contracts or agreements from these provisions related to the administration of retirement benefits and investment of moneys for retirement benefits, as specified. The bill would authorize the Department of Justice to initiate, and require the department to receive and investigate, all complaints regarding violations of these provisions, and would require the department to issue findings regarding any alleged violation and notify any affected state or local agency. By increasing the duties of local officials, this bill would impose a state-mandated local program. Additionally, this bill would make a violation of these provisions subject to civil and criminal penalties, thereby imposing a state-mandated local program.

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AB 1055 – Publicly funded technology projects. (Levine)

Subject: Add Chapter 13 to Division 5 of Title 1 of the Government Code commencing with Section 4571

Status: **January 31, 2020 - Inactive - died pursuant to Art. IV, Sec. 10(c) of the Constitution.**

Existing law imposes various requirements governing public works and public purchases, including, among other things, protection of infrastructure, preferences, emergency conservation, access to buildings, and contract requirements. The Ralph M. Brown Act requires that all meetings of the legislative body, as defined, of a local agency be open and public and all persons be permitted to attend unless a closed session is authorized. The Bagley-Keene Open Meeting Act requires, with specified exceptions, that all meetings of a state body be open and public and all persons be permitted to attend.

This bill would require a public agency undertaking a publicly funded major technology project that is estimated to cost \$100,000,000 or more to form an oversight committee subject to the Ralph M. Brown Act or the Bagley-Keene Open Meeting Act, as applicable, and to develop and use risk management plans throughout the course of the project. The bill would require the oversight committee to be composed of specified members selected by the public agency undertaking the project. The bill would require the oversight committee to act as the authority for critical decisions regarding the project and to have sufficient staff to support decision making. By imposing new duties on local public agencies, the bill would create a state-mandated local program.

AB 1457 – Creation of an Omnitrans Transit District

Active Bill – In Committee Process – April 24, 2020 last day for policy committees to hear and report on fiscal committee's fiscal bills introduced in their house.

Subject: Adds Division 10 of the Public Utilities Code, relating to transportation.

Status: June 25, 2019 – From committee: Do pass and re-refer to Com. on GOV. & F. (Ayes 11. Noes 0.) (June 25). Re-referred to Com. on GOV. & F.

Existing law creates various transit districts throughout the state, with specified powers and duties relative to providing public transit services. This bill would create the Omnitrans Transit District in the County of San Bernardino. The bill would provide that the jurisdiction of the district would initially include the Cities of Chino, Chino Hills, Colton, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland, and Yucaipa, and specified

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portions of the unincorporated areas of the County of San Bernardino. The bill would authorize other cities in the County of San Bernardino to subsequently join the district.

The bill would require the district to succeed to the rights and obligations of the existing Omnitrans Joint Powers Authority and would dissolve that authority. The bill would require the transfer of assets from the authority to the district. The bill would provide for a governing board composed of representatives of governing bodies within the county and would specify voting procedures for the taking of certain actions by the board. The bill would specify the powers and duties of the board and the district to operate transit services, and would authorize the district to seek voter approval of retail transactions and use tax measures and to issue revenue bonds. The bill would enact other related provisions. By imposing requirements on the district and affected local agencies, the bill would impose a state-mandated local program.

AB 2093 – Public Records: Writing Transmitted by Electronic Mail: Retention (Gloria)

Subject: Adds Government Code Section 6253.32

Status: Introduced February 5, 2020. May be heard in committee March 7, 2020.

Existing law, the California Public Records Act, requires a public agency, defined to mean any state or local agency, to make public records available for inspection, subject to certain exceptions. Existing law specifies that public records include any writing containing information relating to the conduct of the public's business, including writing transmitted by electronic mail. Existing law requires any agency that has any information that constitutes a public record not exempt from disclosure to make that public record available in accordance with certain provisions, and authorizes every agency to adopt regulations stating the procedures to be followed when making its records available, if the regulations are consistent with those provisions. Existing law authorizes cities, counties, and special districts to destroy or to dispose of duplicate records that are less than two years old when they are no longer required by the city, county, or special district, as specified.

This bill would, unless a longer retention period is required by statute or regulation, or established by the Secretary of State pursuant to the State Records Management Act, require a public agency, for purposes of the California to retain and preserve for at least 2 years every public record, as defined, that is transmitted by electronic mail.

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AB 2107 - Local Government: Securitized Limited Obligation Notes. (Rodriguez)

Subject: Amends Government Code section 53839.

Status: Introduced February 6, 2020. Read first time. To print.

Existing law, until December 31, 2019, authorizes a special district to issue, as specified, securitized limited obligation notes for the acquisition or improvement of land, facilities, or equipment. This bill would extend that authorization to December 31, 2024.

AB 2138 – Public Record Act: Nonsubstantive changes. (Chau)

Subject: Act to add and repeal Article 3 (commencing with Government Code section 6276.50)

Status: Introduced February 10, 2020. Read first time. To print.

The California Public Records Act requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. This bill would recodify and reorganize the provisions of the act. The bill would include provisions to govern the effect of recodification and state that the bill is intended to be entirely nonsubstantive in effect. The bill would contain related legislative findings and declarations. The bill would become operative on January 1, 2022.

AB 2151 – Political Reform Act of 1974: Online filing and disclosure system.

Subject: Adds Government Code section 84616

Status: Introduced February 10, 2020. Read first time. To print.

The Political Reform Act of 1974 requires the filing of specified statements, reports and other documents. Under the act, a local government agency may require these filings to be made online or electronically with the local filing officer, as specified. The act requires the local filing officer to make all data so filed available on the internet in an easily understood format that provides the greatest public access. This bill would require a local government agency to post on its internet website, within 72 hours of the applicable filing deadline, a copy of any specified statement, report, or other document filed with that agency in paper format. This bill would require that the statement, report, or other document be made available for four years from the date of the election associated with the filing. By imposing a new duty on local government agencies, this bill would impose a state-mandated local program.

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AB 2473 – Public Investment Funds

Subject: Adds Government Code section 6254.32 relating to public records.

Status: Introduced February 19, 2020. Read first time. To print.

Existing law, the California Public Records Act, requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. Existing law excludes from the disclosure requirement certain records regarding alternative investments in which public investment funds invest. This bill would exempt from disclosure under the act specified records regarding an internally managed private loan made directly by a public investment fund, including quarterly and annual financial statements of the borrower or its constituent owners, unless the information has already been publicly released by the keeper of the information. Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

SB 615 – Public Records: Disclosure (Hueso)

Subject: Amends Government Code sections 6258 and 6259

Status: February 3, 2020 – Inactive - died, returned to Secretary of Senate pursuant to Joint Rule 56.

The California Public Records Act requires a public agency, defined to mean a state or local agency, to make its 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 act 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 exemptions.

Existing law permits any person to institute proceedings for injunctive or declarative relief or a writ of mandate in any court of competent jurisdiction to enforce their right to inspect or to receive a copy of any public record or class of public records covered by the act. The act, when it appears to a superior court that certain public records are being improperly withheld from a member of the public, requires the court to order the officer or person charged with withholding the records to disclose the public record or show cause why they should not do so. The act requires the court to award court costs and reasonable attorney's fees to the requester if the requester prevails in litigation filed pursuant to these provisions, and requires the court to award court costs and reasonable attorney's fees to the public agency if the court finds that the requestor's case is clearly frivolous.

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This bill would require a person to meet and confer in good faith with the agency in an attempt to informally resolve each issue before instituting any proceeding for injunctive or declarative relief or writ of mandate. The bill would require the person or their attorney to file a declaration stating that this has occurred at the time that proceedings are instituted. Because the declaration would be made under penalty of perjury, the bill would expand the definition of a crime and impose a state-mandated local program.

The bill would define “improperly withheld” for purposes of the act to mean a refusal by a public agency or public official to disclose a public record or some part thereof. The bill would require that in order for a requester to prevail in litigation related to the act, the trial court must find by a preponderance of the evidence that an agency knowingly, willfully, and without substantial justification failed to respond to a request for records, improperly withheld from a member of the public records that were clearly subject to public disclosure, unreasonably delayed providing the contents of a record subject to disclosure in part or in whole, improperly assessed a fee upon a requester that exceeded the direct cost of duplication, or otherwise did not act in good faith to comply with these provisions. The bill would make other nonsubstantive changes.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

SB 749 – Public Records – Trade Secrets

Subject: Adds Government Code section 6254.34

Status: **Assembly Inactive File on January 27, 2020.**

The California Public Records Act requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. Existing law provides that nothing in the act requires the disclosure of corporate proprietary information including trade secrets, among other things.

This bill would provide that specified records of a private industry employer that are prepared, owned, used, or retained by a public agency are not trade secrets and are public records, including certain records relating to employment terms and conditions of employees working for a private industry employer pursuant to a contract with a public agency, records of compliance with local, state, or federal domestic content requirements, and records of a private industry employer’s compliance with job creation, job quality, or job retention obligations contained in a contract or agreement with a state or local agency.

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Under existing law, a person may seek injunctive or declaratory relief or a writ of mandate to enforce their right to inspect or receive a copy of a public record, as specified. Under existing case law, an agency's decision to release a public record pursuant to the California Public Records Act is reviewable by a petition for a writ of mandate on the basis that the public record was confidential, which is known as a reverse public records act.

This bill would require the requester, as defined, to be named as a real party in interest in a reverse public records action, and would require a court to allow the requester to participate fully on the merits of the reverse public records action. The bill would require the person who initiated the reverse public records action to pay the requester's court costs and reasonable attorney's fees if the court denies the petition seeking to prevent the public agency from disclosing the record at issue. The bill would require a public agency to pay court costs and reasonable attorney's fees to the requester under specified circumstances.

SB 931 -- Local Government meetings: agenda and documents. (Wieckowski)

Subject: Amends Government Code section 54954.1

Status: Introduced February 5, 2020. Referred to Com. on GOV. & F.

Existing law, the Ralph M. Brown Act, requires meetings of the legislative body of a local agency to be open and public and also requires regular and special meetings of the legislative body to be held within the boundaries of the territory over which the local agency exercises jurisdiction, with specified exceptions. Existing law authorizes a person to request that a copy of an agenda, or a copy of all the documents constituting the agenda packet, of any meeting of a legislative body be mailed to that person.

This bill would require a legislative body to email a copy of the agenda or a copy of all the documents constituting the agenda packet if so requested.

SB 998 – Local Government: Investments

Subject: Amends Government Code section 53601 and 53601.6

Status: Introduced February 13, 2020. Read first time. To Com. on RLS for Assignment.

Existing law regulates the investment of public funds by local agencies, as defined. Existing law authorizes the legislative body of a local agency, as specified, that has money in a sinking fund or in its treasury not required for immediate needs to invest the money as it deems wise or expedient in certain securities and financial instruments. In

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this regard, existing law authorizes investment in prime quality commercial paper issued by entities meeting certain criteria. Existing law prohibits local agencies, other than counties, from investing more than 25% of their moneys in eligible commercial paper and further prohibits these agencies from purchasing no more than 10% of the outstanding commercial paper of any single issuer.

This bill would establish distinctions in local agencies in connection with their investment in commercial paper, as described above. The bill would prohibit local agencies that have less than \$100,000,000 of investment assets under management from investing more than 25% of their moneys in eligible commercial paper. For a local agency that has \$100,000,000 or more of investment assets under management, the bill would prohibit it from investing than 40% of their moneys in eligible commercial paper. The bill would also revise the single issuer restriction to prohibit a local agency, other than a county or a city and a county, from investing more than 10% of its total investment assets in the commercial paper and the medium-term notes of any single issuer.

Existing law authorizes local agencies, as specified, to invest in medium-term notes, which are defined as corporate and depository institution debt securities with a maximum remaining maturity of 5 years or less, issued by specified corporations or by depository institutions. This bill would prohibit a local agency, other than counties, from investing more than 10% of its total investment assets in the commercial paper and the medium-term notes of any single issuer, of the type described above.

Existing law authorizes local agencies, as specified, to invest in shares of beneficial interest issued by a joint powers authority, organized for those purposes under the Joint Exercise of Powers Act, that invests in certain securities and obligations.

Existing law generally prohibits a local agency from investing any funds pursuant to specified authorizations in a security that could result in zero-interest accrual if held to maturity. This bill would create an exception to this prohibition by authorizing a local agency to invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, as specified.

SB 1067 – Local Agencies: Refunding Bonds

Subject: Amends Government Code sections 53550 and 53553 (Moorlach)

Status: Introduced February 18, 2020. Read first time. To Com on RLS for assignment. To print.

Existing law generally authorizes local agencies to issue bonds and distinguishes between different types of bonds for this purpose. Existing law regulates the issuance of refunding bonds by a local agency, which are issued for the purpose of refunding other indebtedness, as specified. Existing law defines “bonds” for these purposes, among

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other things, as bonds, warrants, notes or other evidence of indebtedness of a local agency or any improvement district, the principal and interest of which are payable from the proceeds of ad valorem taxes or ad valorem assessments that may be levied, without limitation as to rate or amount, upon property in the local agency or any improvement district subject to taxation or assessment.

This bill would revise the definition of “bonds” in connection with issuing refunding bonds to specify that it does not mean bonds to be issued, on and after January 1, 2021, for the purpose of funding pension obligations. Existing law requires a legislative body of a local agency that determines to issue refunding bonds to adopt a resolution providing for the issuance of the bonds and prescribes the required elements of the resolution. This bill would require that the above-described resolution be available on the internet website of the legislative body for 30 days. The bill would also prohibit the resolution being placed on the consent calendar of a public hearing.

IV. Other Bills of Interest – Not Related to SBCERA

CalPERS and CalSTRS are the largest pension funds located in the State of California. Currently, there are several active bills that affect both and although such bills do not affect SBCERA or any other county retirement system, the bills are of interest to gauge and understand the proposed laws in which PERS and STRS may be subject to and how such bills relate to the overall public employees retirement.

AB 979 – Asset Management: Emerging Managers

Active Bill – Pending Referral - April 24, 2020 last day for policy committees to hear and report on fiscal committees fiscal bills introduced in their house.

Subject: Adds section 22228 to the Education Code and to add Section 20136 to the Government Code, relating to public retirement systems.

Status: **In Senate. Read first time. To Com. on RLS for assignment – January 28, 2020.**

This bill would require the Board of Administration of the Public Employees’ Retirement System and the Teachers’ Retirement Board to each provide a report to the Legislature, commencing March 1, 2021, and annually thereafter, on the status of achieving appropriate objectives and initiatives, to be defined by the boards, regarding participation of emerging managers responsible for asset management within each system’s portfolio of investments. The bill would require that the report be based on contracts that the system enters into on and after January 1, 2020, and be based on information from the prior fiscal year. The bill would require each report to include certain elements and would require the boards to define emerging manager for purposes of these provisions.

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AB 2101 – Public Employees’ Retirement: Required Distributions: Age. (Rodriguez)

Subject: Amends Government Code section 20731, 22772, 22960.95, 22970.85, and 75088.3.

Status: Introduced February 6, 2020. Read first time. To print.

Under existing law, a participant, nonparticipant, spouse, or beneficiary is not permitted to elect a distribution under the plan that does not satisfy specified requirements of federal law related to being a qualified pension trust plan. Existing law requires the beginning date of distributions that reflect the entire interest of the participant, for a lump-sum distribution, to be made not later than April 1 of the calendar year following the later of the calendar year in which the participant attains 70½ or the calendar year in which the participant terminates all employment subject to plan coverage. Existing law also requires, for a distribution to the participant in the form of installment payments or an annuity, that payment begin not later than April 1 of the calendar year following the later of the calendar year in which the participant attains 70½ years of age or the calendar year in which the participant terminates all employment subject to plan coverage. Existing law also requires, if a benefit is payable on account of the participant’s death, and the beneficiary is the participant’s spouse, the distributions to commence on or before the later of either December 31 of the calendar year immediately following the calendar year in which the participant dies, or December 31 of the calendar year in which the participant would have attained 70½ years of age.

This bill would raise the age for required distributions, in the circumstances described above, from 70½ years of age to 72 years of age.

AB 2394 – Public Employees’ Retirement System: Cost of Living Adjustment

Subject: Amends Government Code section 21311

Status: Introduced February 18, 2020. Read first time. To print.

Existing law, the Public Employees’ Retirement Law, establishes the Public Employees’ Retirement System, which provides a defined benefit to members of the system, based on final compensation, credited service, and age at retirement, subject to certain variations. Existing law generally provides that retirement allowances are adjusted annually to reflect increases in the cost of living in relation to the consumer price index, as defined. Existing law defines “consumer price index” for these purposes to mean the United States city average “Consumer Price Index for All Urban Consumers,” effective January 1, 1978. Existing law establishes the Department of Industrial Relations as an instrumentality of California government.

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This bill would change the definition of “consumer price index,” effective January 1, 2021, to instead refer to the California Consumer Price Index for All Urban Consumers for all items, as determined by the Department of Industrial Relations.

AB 2378 – Public Employees’ Retirement System: Postretirement Death Benefit (Cooper)

Subject: Adds Government Code section 21623.9

Status: Introduced February 18, 2020. Read first time. To print.

The Public Employees’ Retirement Law requires that, upon the death of certain members after retirement and while receiving a retirement allowance, a specified sum of money be paid to the member’s designated beneficiary. Existing law provides that the additional employer contributions required to fund these benefits be computed as a level percentage of member compensation, and requires the contributions to be deposited in the Public Employees’ Retirement Fund, a continuously appropriated fund.

This bill would authorize the Board of Administration of the Public Employees’ Retirement System, beginning on or after January 1, 2021, to adjust the death benefit amounts following each actuarial valuation to reflect changes in the All Urban California Consumer Price Index, as specified. By authorizing the board to increase contributions deposited in the Public Employees’ Retirement Fund, this bill would make an appropriation.

SB 266 – Public Employees’ Retirement System: disallowed compensation; benefit adjustments.

Active Bill –Passed- April 24, 2020 last day for policy committees to hear and report on fiscal committees fiscal bills introduced in their house.

Subject: Add Section 20164.5 to the Government Code.

Status: Senate held at desk on February 14, 2020.

This bill would establish new procedures under PERL for cases in which PERS determines that the benefits of a member or annuitant are, or would be, based on disallowed compensation that conflicts with PEPRA and other specified laws and thus impermissible under PERL. The bill would also apply these procedures retroactively to determinations made on or after January 1, 2017, if an appeal has been filed and the employee member, survivor, or beneficiary has not exhausted their administrative or legal remedies. At the threshold, after determining that compensation for an employee member reported by the state, school employer, or a contracting agency is disallowed, the bill would require the applicable employer to discontinue the reporting of the disallowed compensation. The bill would require that contributions made on the disallowed compensation, for active members, be credited against future contributions

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on behalf of the state, school employer, or contracting agency that reported the disallowed compensation and would require that the state, school employer, or contracting agency return to the member any contributions paid by the member or on the member's behalf.

With respect to retired members, survivors, or beneficiaries whose benefits are based on disallowed final compensation, the bill would require PERS to adjust the benefit to reflect the exclusion of the disallowed compensation, and provide that contributions made on the disallowed compensation be credited against future contributions on behalf of the employer entity that reported the disallowed compensation. Additionally, if specified conditions are met, the bill would require the employing entity to refund overpayment costs to the system and to pay retired members, survivors, and beneficiaries whose benefits have been reduced an annuity, or a lump sum, as prescribed, that reflects the difference between the monthly allowance that was based on the disallowed compensation and the adjusted monthly allowance calculated without the disallowed compensation, as provided. The bill would require the system to provide certain notices in this regard. This bill would require the system to provide confidential contact information of retired members, and their survivors and beneficiaries, who are affected by these provisions to the relevant employing entities, the confidentiality of which the entities would be required to maintain.

SB 341 - Public Employment and Retirement

Subject: Amends Educ. Code 22324, Government Code sections 7507.5, 20229, 10014, 100032.

Status: February 4, 2020 - Inactive Bill – Died – Returned to Secretary of Senate pursuant to.

Existing law requires the Board of Administration of the Public Employees' Retirement System and the Teachers' Retirement Board to provide annual reports to the Legislature and the Governor with regard to investment returns on assets of the Public Employees' Retirement System and the State Teachers' Retirement System, respectively. As part of these reports, the boards are required to calculate and report on the rate of return on investments based on different assumptions.

This bill would require the Board of Administration of the Public Employees' Retirement System to report a calculation of liabilities based on a discount rate equal to the yield on a 10-year United States Treasury note in the year prior to the report. The bill would require the Teachers' Retirement Board to provide a description of the discount rate the board uses for reporting liabilities, a calculation of liabilities based on a discount rate that is 2% below the long-term rate of return assumed by the board, and a calculation of liabilities based on a discount rate equal to the yield on a 10-year United States Treasury note in the year prior to the report.

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Existing law creates the Defined Benefit Program of the State Teachers' Retirement System for the purpose of providing pension benefits to members of the system. The Defined Benefit Program is funded by employer and employee contributions as well as investment returns and state appropriations.

This bill would appropriate \$1,000,000,000 from the General Fund for transfer to the Teachers' Retirement Fund to reduce the unfunded liability of the Defined Benefit Program of the State Teachers' Retirement System. The bill would also appropriate another \$1,000,000,000 to the Teachers' Retirement Fund if the Legislative Analyst determines in the May Revision of the 2019–20 Budget that the state has collected more than \$1,000,000,000 in unanticipated General Fund revenue. The bill would require the Governor to form a working group of specified parties to propose long-term funding solutions for the unfunded liability of the Defined Benefit Program of the State Teachers' Retirement System and to report those solutions to the Legislature by January 1, 2020. The bill would make a statement of legislative findings and declarations.