Agenda Item 8

MEETING DATE: December 9, 2020

SUBJECT: State Association of County Retirement Systems Legislative Update – December 2020

		Deliberation	**Receive**
SUBMITTED FOR:	**_X_** Consent	**___** and Action	**___** and File

RECOMMENDATION

Staff recommends that the Board receive and file the State Association of County Retirement Systems (SACRS) Legislative Update for December 2020.

PURPOSE

This item complies with the Strategic Management Plan goal of stakeholder communication and outreach by participating in the legislative process to monitor changes in state law affecting public pension plans.

DISCUSSION

The attached report highlights recent legislative activity affecting California public pension plans and is produced by SACRS' legislative advocates at Edelstein Gilbert Robson & Smith, LLC.

SACRS is composed of the 20 systems operating under the County Employees' Retirement Law. The association's mission is to provide education and analysis to trustees and staff so that they can be more effective stewards of their systems' pension plans.

ATTACHMENTS

- SACRS Legislative Update – December 2020

Prepared by:

/S/

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Eric Stern
Chief Executive Officer

December 1, 2020

TO: State Association of County Retirement Systems

FROM: Mike Robson, Trent Smith, and Bridget McGowan, Edelstein Gilbert
               Robson & Smith, LLC

RE: **Legislative Update – December 2020**

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With election season coming to the close, the Legislature is now looking toward the 2021-2022 Legislative Session. Next session, the Senate will be comprised of 31 Democrats and 9 Republicans while the Assembly will have 60 Democrats, 19 Republicans and an Independent.

On December 7th, the Senate and the Assembly will convene their organizational sessions. During this time, both bodies will elect various officers and leadership positions like the Speaker and Pro Tem, the Chief Clerk/Secretary of the Senate and Sergeant-at-Arms for each house. The new members of each house will also be sworn in, and some members will introduce the first bills of session. The leadership for this session is expected to stay the same, with Assemblymember Rendon remaining as Assembly Speaker and Senator Atkins holding her post as Senate President Pro Tempore. After this organizational session, the members will again return to their districts and remain there until the first day of session on January 4th.

Once they are back in January, legislators have until February 19th to introduce bills. It remains to be seen if we will see similar reductions in bill volume due to the COVID-19 pandemic as seen in 2020, or if the Legislature will resume its typical high volume of bills.

By January 10th, the Governor will also release the first draft of the 2021-22 budget. This fiscal year will end with a $26 billion surplus due to cuts and higher revenues. While the state's budget outlook has considerably improved, the Legislative Analyst's Office (LAO) projects a small operating deficit for the 2021-22 budget. This will create tension between the Legislature and the Governor. Legislative leaders have already indicated that they want to spend the surplus and restore the spending cuts in the 2020-21 budget.

Due to continually high levels of transmission of COVID-19, this upcoming session will continue as it did for much of 2020, with the Capitol closed to the public and most legislative activity happening remotely, aside from floor sessions and committee hearings. Despite the fact that the public and lobbyists are shut out of the Capitol and are thereby limited in their ability to engage in a meaningful way on public policy,

legislative leaders believe that allowing remote access to testify meets the requirements for public input on legislative proceedings. With the timing of vaccines, there remains the possibility that the Capitol could open later in the year, restoring the access that has been limited due to the pandemic.