





February 6, 2020

TO: State Association of County Retirement Systems

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

RE: **Legislative Update – February 2020**

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### **Overview**

Roughly one month into the second year of the two-year legislative session, things are picking up in Sacramento. The deadline for two-year bills to pass out of their house of origin was January 31. A few hundred bills failed to meet this deadline and are officially dead for the rest of session.

February 21 is the bill introduction deadline for new bills in the second year of session. We will begin to see a higher proportion of bills introduced everyday as we near this deadline. In the meantime, new bills will begin to be set for their first policy committee hearings and two-year bills will for their first hearings in their second house.

### **Legislation**

**SB 783 (Committee on Labor, Public Employment and Retirement) – SACRS Sponsored Bill.** This cleanup bill makes technical changes to withdrawn employer liabilities, service purchase for parental leave, military leave, board approval of retirements, 60-day advance application windows, reinstatement from retirement and lump sum payments for minimum age distribution.

New language for SB 783 was drafted by the SACRS Legislative Committee and approved by the SACRS board and membership. The Legislative Committee Chairs have been working with Legislative Counsel to clarify this language before it is amended into the bill.

This bill is in its second house and will likely be heard in the Spring.

**AB 315 (C. Garcia) – Government Lobbying Associations.** This bill limits how associations funded by local governments/special districts can use their funds. Specifically, the bill would prevent local agency associations from using funds for activities that are not lobbying or strictly educational activities. Further, the bill would require that an association publicly disclose the amount of money spent on these activities and prohibits an association from incurring travel-related expenses except for

the association to hold an annual conference or send its members to attend educational activities.

The bill was pulled from the Assembly Local Government Committee in early January, causing it to fail the January 31 deadline. The bill is dead for the rest of session.

**LACERA Proposal on Nonservice-Connected Disability.** This proposal would authorize a county board of supervisors to adopt a resolution that would remove the intemperate use of alcoholic liquor or drugs as a factor in the calculation of a nonservice-connected disability retirement allowance. The goal of this proposal is to modernize the statute to reflect contemporary views of alcohol and drug addiction. If viewing alcohol and drug use from a disease perspective rather than a moral failure, the benefit limitation therefore would be discriminatory and financially punitive for that member.

After approval by SACRS membership in November, the language was submitted to Legislative Counsel. Legislative Committee members have been working with Legislative Counsel staff to draft the language for the proposal.

**Governor's 2020-21 Proposed Budget.** CalPERS and STRS have \$165 billion of unfunded pension liabilities. The 2020-21 proposed budget, like last year's budget, would pay an additional three billion dollars of General Fund towards unfunded liabilities in addition to the constitutionally required amounts. Last year's budget set aside an additional six billion dollars for this purpose.