

### **Board of Retirement Regular Meeting**

### **Sacramento County Employees' Retirement System**

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**MEETING DATE:** February 16, 2022

SUBJECT: State Association of County Retirement Systems

**Legislative Update—February 2022** 

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 February 2022.

### **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**

- Board Order
- SACRS Legislative Update—February 2022

Prepared by:	
/S/	
Eric Stern Chief Executive Officer	



# Retirement Board Order Sacramento County Employees' Retirement System

## Before the Board of Retirement February 16, 2022

AGENDA ITEM:	
State Association of County Retireme February	-
THE BOARD OF RETIREMENT hereby a to receive and file the State Association Legislative Update.	•
I HEREBY CERTIFY that the above of February 16, 2022 by the following vote	·
AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
ALTERNATES (Present but not vo	oting):
Richard B. Fowler II Board President	Eric Stern Chief Executive Officer and Board Secretary

Donald B. Gilbert Michael R. Robson Trent E. Smith Jason D. Ikerd Associate Bridget E. McGowan Associate

### February 4, 2022

TO: State Association of County Retirement Systems

FROM: Edelstein Gilbert Robson & Smith, LLC

RE: Legislative Update – February 2022

#### **General Update**

The Legislature reconvened for the second year of the 2021-22 Legislative session on Monday January 3. In the first month of session, legislators focused much of their efforts on two-year bills that were still in their first house due to the House of Origin deadline on January 31.

The highest profile of these bills was AB 1400 (Kalra), a proposal that would have established single-payer healthcare in California. This proposal was anticipated to cost the state between \$314 billion to \$391 billion each year which far exceeds the annual state budget. The bill was accompanied by ACA 11, the constitutional amendment to pay for single-payer by proposing higher taxes on businesses, employees and highearning individuals in the state. After much anticipation and debate, AB 1400 was not brought up for a vote on the floor because the author did not have the votes for it to pass. Consequently, the bill failed the House of Origin deadline and cannot progress further.

Legislators have until February 18 to introduce new legislation. Now that the House of Origin deadline has passed, we are seeing more introduced bills each day. As is typical for most years, more than 2,000 new bills will be introduced by the bill introduction deadline later this month.

### 2022-23 California State Budget

Governor Newsom presented January 2022-23 State Budget on January 10. Like last year, California is anticipating a record surplus. The Legislative Analyst's Office estimates the surplus at \$29 billion, excluding constitutionally required payments of \$13 billion for education.

The Governor's budget proposal includes \$8.4 billion in statutorily required contributions to CalPERS and \$3.7B for CalSTRS.

Legislative Budget Subcommittees are beginning to meet now and will continue to do so through the May Revision and into June. The final budget must be adopted by the Legislature by June 15. Because of the large surplus, it will be another busy budget

year as legislators and the Governor determine what proposals will make the cut into the final budget.

### **SACRS Sponsored Bill**

The SACRS membership approved the SACRS proposed legislation at the Fall Conference in November.

As discussed in previous reports, half of the SACRS proposed legislation will be amended into an Assembly Public Employment and Retirement Committee annual omnibus cleanup bill. The remaining proposals will be introduced in a separate bill by Assemblymember Cooper, Chair of the Assembly Public Employment and Retirement Committee.

Both bills will be introduced prior to the bill introduction deadline on February 18.