

**ASSEMBLY COMMITTEE ON  
PUBLIC EMPLOYEES, RETIREMENT  
AND  
SOCIAL SECURITY**

**Alberto Torrico  
CHAIRMAN**

**2009-10 SUMMARY OF LEGISLATION**

**MEMBERS**

Alberto Torrico, Chair  
Diane Harkey, Vice Chair  
Warren Furutani  
Ed Hernandez, O.D.  
Fiona Ma  
Brian Nestande

**STAFF**

Karon Green, Chief Consultant  
Wendy Burke, Committee Secretary

## 2009 – 2010 Legislative Report

### Assembly Bills

**AB 53 (Portantino)** – Would have prohibited specified state employees whose annual base salary is over \$150,000 from receiving a salary increase or overtime pay until January 1, 2012.

**Held in the Assembly Appropriations Committee.**

**AB 65 (Hayashi)** - Establishes a self-funded vision care program for retired local members, school members, and university members to be administered by the California Public Employees' Retirement System (CalPERS) effective on or before January 1, 2011.  
**Chapter 265, Statutes of 2009.**

**AB 86 (Nava)** - Allows local contracting agencies of CalPERS to reclassify specified airport law enforcement officers as local safety members.

**Chapter 79, Statutes of 2009.**

**AB 88 (P.E.,R.&S.S. Com.)** – Would have approved the memoranda of understanding (MOU) agreed to by the state and the state bargaining units (BUs) represented exclusively by the Service Employees International Union (SEIU), Local 1000, including BU 1 (Professional, Administrative, Financial, and Staff Services), BU 3 (Professional Educators and Librarians), BU 4 (Office and Allied), BU 11 (Engineering and Scientific Technicians), BU 14 (Printing and Allied Trades), BU 15 (Allied Services), BU 17 (Registered Nurses), BU 20 (Medical and Social Services), and, BU 21 (Educational Consultant and Library).

**Died on the Senate Floor.**

**AB 125 (De Leon)** – Would have created the California Employee Savings Program under the administration of CalPERS to provide retirement savings opportunities to California's private sector employees.

**Held in the Senate Appropriations Committee.**

**AB 194 (Torrico and Torres)** – Would have limited the amount of salary or payrate a member of a public retirement system may include for the purpose of determining a retirement benefit to 125% of the Governor's current recommended salary.

**Vetoed by the Governor.**

**AB 226 (Torrico)** – Would have clarified that compensation paid to a retiring member of a retirement system that was deferred based on concessions agreed to in a collective bargaining agreement will be considered compensation earnable, as specified, and implemented the retirement provisions of a recently negotiated bargaining agreement between Sacramento County and the Sacramento County Deputy Sheriff's Association.

**Vetoed by the Governor.**

**AB 232 (Hill)** - Allows the California State Teachers' Retirement System (CalSTRS) to prescribe the form for accepting electronically signed applications and documents and not mail a copy of benefit payment information when payments are made by electronic funds transfer, unless there is a change in the net amount paid.

**Chapter 90, Statutes of 2009.**

**AB 360 (Ma)** – Would have encouraged CalSTRS to conduct a study to examine the feasibility of either creating a new program for part-time community college instructors or modifying current programs to make retirement benefits more equitable for part-time instructors.

**Held in the Assembly Appropriations Committee.**

**AB 379 (Torlakson)** – Would have required both school and community college district personnel commissions to determine compensation for, evaluate and supervise the commission's personnel director, as specified.

**Not heard in the Assembly Appropriations Committee at the request of the author.**

**AB 399 (Brownley)** - Authorizes CalPERS to refund accumulated contributions to inactive members when they reach 70 years of age and transfer excess reserves between CalPERS self-funded health plans to pay all or a portion of member and retiree premiums and ensures that a furloughed state employee receives the same amount of retirement service credit he or she would have received absent the furlough.

**Chapter 240, Statutes of 2009.**

**AB 446 (Niello)** – Would have required CalPERS to submit information to the Legislature and others, as specified, from its system-wide actuarial investigation that relates purchases of additional retirement service credit or "air time."

**Held in the Senate Rules Committee.**

**AB 468 (Hayashi)** - Creates a specific vesting schedule and employer contribution amount for annuitant health care premiums for Alameda County Transportation Improvement Authority (ACTIA) employees hired on or after October 1, 2004, and provides that an employee that works for ACTIA for 15 years shall be eligible to participate in the health care plan when they retire regardless of the length of the period between their separation for ACTIA employment and their actual retirement.

**Chapter 320, Statutes of 2009.**

**AB 502 (Furutani)** – Would have ratified the provisions of a MOU between the state and state BU 9, Professional Engineers, represented exclusively by the Professional Engineers in California Government.

**Not heard in the Senate Public Employment and Retirement Committee.**

**AB 506 (Furutani)** - Prohibits, as of July 1, 2010, CalSTRS retirees from working in any CalSTRS-related service for the first six months after they retire, extends the sunset date of the CalSTRS post-retirement earnings limit exemptions from June 30, 2010 to June 30, 2012, and expands eligibility, where applicable, by one year to members who retired on or before January 1, 2009.

**Chapter 306, Statutes of 2009.**

**AB 539 (Monning)** – Clarifies existing law and codifies existing practice by (1) requiring the State Auditor to establish an equal employment opportunity program as specified, (2) requiring the State Auditor to deliver audit reports to the Legislature, its relevant committees and subcommittees, and the Governor as provided, (3) authorizing the State Auditor to examine all the financial records, accounts, and documents of any state agency, as defined, during any audit or investigation the State Auditor conducts, and (4) extending the time limit, from 30 to 60 days, that the head of an agency or appointing authority has to submit an initial report, as specified, in response to a State Auditor report of alleged improper activity.

**Chapter 115, Statutes of 2009.**

**AB 567 (Villines)** - Revises the California Whistleblower Protection Act (CWPA) to broaden the class of employees covered by the CWPA, expands the definition of "improper governmental activity" that could be reported by a whistleblower, and permits the State Auditor to publicly report on recommendations made to heads of state agencies that have not been fully implemented after one year, among others.

**Chapter 452, Statutes of 2009.**

**AB 609 (Conway)** - Increases the administrative budgets of retirement systems being operated under the County Employees' Retirement Law of 1937 ('37 Act). Specifically, this bill:

- 1) Increases the maximum annual amount a '37 Act retirement system may spend on administration from eighteen hundredths of 1% (0.18%) of the total assets of the retirement system to the greater of either twenty-one hundredths of 1% (0.12%) of the accrued actuarial liability or two million dollars to be adjusted annually as specified.
- 2) Excludes expenditures for computer software, computer hardware, and computer technology consulting services, as specified, from the administrative budget cap.

**Chapter 663, Statutes of 2010.**

**AB 637 (Hill)** - Requires CalPERS contracting agencies to use Electronic Funds Transfer for the payment of amounts due to CalPERS and changes the method for calculating interest on late employer payments, as specified.

**Chapter 118, Statutes of 2009.**

**AB 654 (Mendoza)** - Revises, in the Teachers' Retirement Law (TRL), the definition of "regular interest" and establishes a consistent basis for the assessment of interest and penalties for late payment of contributions, late submissions of reports, and delayed reports of compensation.

**Chapter 249, Statutes of 2009.**

**AB 704 (Charles Calderon)** – Would have established the Deferred Retirement Option Program (DROP) as a supplemental benefit program in CalPERS for exempted and excluded employees in state BUs 5 (Highway Patrol), 6 (Corrections), 7 (Protective Services and Public Safety), and 8 (Firefighters).

**Held in the Assembly Appropriations Committee.**

**AB 749 (Fong)** – Would have prohibited disciplinary action from being imposed on a civil service employee in state BU 5 (Highway Patrol) until the appeal process is completed and the charges have been sustained.

**Held in the Assembly Appropriations Committee.**

**AB 755 (Brownley)** – Would have prohibited local educators on loan to a state education agency from serving in temporary assignments in specified positions for more than four years.

**Vetoed by the Governor.**

**AB 779 (Hayashi)** – Would have ratified the provisions of a MOU between the state and state BU 7, Protective Services and Public Safety, represented exclusively by the California Statewide Law Enforcement Association.

**Not heard in the Senate Public Employment and Retirement Committee.**

**AB 790 (Hernandez and Ruskin)** – Would have provided, in any year in which a budget is not enacted by July 1, a continuous appropriation to pay state employee salaries and benefits for the period of time between July 1 and when the budget is enacted, as specified.

**Died on the Senate Inactive File.**

**AB 803 (Duvall)** – Would have required the state, as of July 1, 2010, to provide a state or legislative employee the option of receiving a cash payment in lieu of coverage in a health benefit plan.

**Failed passage in the Assembly Public Employees, Retirement and Social Security Committee.**

**AB 820 (Conway)** - Makes changes to the Vision Care Program for State Annuitants (Vision Care Program) and the Group Legal Services Plan (Legal Plan) offered to state employees. Specifically, this bill:

- 1) Allows state, legislative, and judicial branch retirees to participate in the Legal Plan which is currently offered to state employees, provided the annuitant pays the full costs of the plan.
- 2) Authorizes the Department of Personnel Administration (DPA) to directly bill an annuitant if there are insufficient funds in the annuitant's benefit allowance to pay the premium for the Vision Care Program.
- 3) Provides that moneys in the Vision Care Program are continuously appropriated.

**Chapter 126, Statutes of 2009.**

**AB 843 (Block)** – Would have revised disciplinary procedures for managerial employees.  
**Held in the Assembly Appropriations Committee.**

**AB 944 (Silva)** – Would have required that state employee termination hearings or investigations take priority over all other cases that were initiated within the previous four months by the State Personnel Board (SPB).

**Held in the Assembly Appropriations Committee.**

**AB 964 (P.E.,R.&S.S. Com.)** – Would have approved the recent MOU agreed to by the state and the state BUs represented exclusively by the Service Employees International Union (SEIU), Local 1000, including BU 1 (Professional, Administrative, Financial, and Staff Services), BU 3 (Professional Educators and Librarians), BU 4 (Office and Allied), BU 11 (Engineering and Scientific Technicians), BU 14 (Printing and Allied Trades), BU 15 (Allied Services), BU 17 (Registered Nurses), BU 20 (Medical and Social Services), and, BU 21 (Educational Consultant and Library).

**Died on the Assembly Unfinished Business File.**

**AB 965 (P.E.,R.&S.S. Com.)** – Would have ratified the provisions of a MOU between the state and state BU 10, Professional Scientific, represented exclusively by the California Association of Professional Scientists.

**Not heard in the Senate Public Employment and Retirement Committee.**

**AB 966 (P.E.,R.&S.S. Com.)** - Makes several minor or technical amendments to various sections of the Government Code administered by CalPERS that are necessary for the continued efficient administration of the system.

**Chapter 130, Statutes of 2009.**

**AB 1034 (Huffman)** – Would have allowed the retirement system established in Marin County to become an independent district in the county, as specified.

**Not heard in the Assembly Public Employees, Retirement and Social Security Committee at the request of the Author.**

**AB 1125 (Hernandez)** – Would have required, in any fiscal year in which the budget is not enacted by July 1, an amount to be continuously appropriated from the General Fund and special funds to pay state employee salaries and benefits.

**Held in the Assembly Appropriations Committee.**

**AB 1126 (Hernandez)** – Would have prohibited a health care provider giving emergency services and care to a member covered by the Public Employees' Medical and Hospital Care Act (PEMHCA) from seeking reimbursement or attempting to obtain payment for any covered services provided to an employee or annuitant other than from the participating health benefit plan covering that employee or annuitant.

**Not heard in the Assembly Public Employees, Retirement and Social Security Committee at the request of the Author.**

**AB 1136 (Fong)** – Would have permitted, upon adoption by a county board of retirement, a retired member of a '37 Act county retirement system to change previously elected optional settlements, as specified.

**Vetoed by the Governor.**

**AB 1161 (Buchanan)** – Would have required that any adverse action taken against a managerial, supervisory, or confidential state employee be initiated within one year of the cause for discipline. Adverse actions based on fraud, embezzlement, or the falsification of records must also be served within three years after the discovery of the fraud, embezzlement, or falsification of records.

**Held in the Assembly Appropriations Committee.**

**AB 1241 (Nava)** - Would have required the California Citizens Compensation Commission, in addition to its constitutional duties, to establish the compensation of attorneys employed by the Department of Justice and to consider specified factors in establishing that compensation.

**Not heard in the Assembly Public Employees, Retirement and Social Security Committee at the request of the Author.**

**AB 1267 (Eng)** – Would have eliminated the December 31, 2010, sunset date for eligibility for the CalSTRS longevity bonus, thereby extending the eligibility for the bonus indefinitely.

**Not heard in the Assembly Appropriations Committee at the request of the Author.**

**AB 1290 (Conway)** – Would have directed the SPB to establish a state internship program to facilitate the hiring of college graduates in the state civil service.  
**Held in the Assembly Appropriations Committee.**

**AB 1293 (Hall)** - Extends the current authority granted to the Los Angeles Unified School District to fill vacancies in specified job classifications from ranks other than the top three ranks of an employment list, under specified conditions, to include certain additional specified classifications.  
**Chapter 145, Statutes of 2009.**

**AB 1354 (Fong)** - Brings the '37 Act into conformity with federal laws regarding public employees who die while serving on active military duty, and makes other clarifying changes to bring the statutes into conformity with provisions of the federal Internal Revenue Code.  
**Chapter 188, Statutes of 2010.**

**AB 1355 (Fong)** - Appropriately cross-references an alternative method of calculating survivor's allowances in the '37 Act.  
**Chapter 9, Statutes of 2009.**

**AB 1406 (Emmerson)** - Allows the board of retirement of San Bernardino County, which operates a '37 Act retirement system, to appoint, outside the county civil service system, supervisors and employees who have specialized training and knowledge in the following areas: pension and benefit member services; investment reporting compliance; investment accounting; pension benefit tax reporting; pension benefit financial accounting; and, pension law.  
**Chapter 393, Statutes of 2009.**

**AB 1429 (Evans)** – Would have required the state to meet and confer on employee compensation matters with organizations representing state managerial employees.  
**Held in the Assembly Appropriations Committee.**

**AB 1477 (Krekorian)** – Would have increased the postretirement death benefit paid to the beneficiary of a CalPERS school member from \$2,000 to \$6,163.  
**Held in the Assembly Appropriations Committee.**

**AB 1533 (Lieu)** – Would have ratified the provisions of a MOU between the state and state BU 16, Physicians, Dentists and Podiatrists, represented exclusively by the Union of American Physicians and Dentists.  
**Not heard in the Senate Public Employment and Retirement Committee.**

**AB 1584 (Hernandez)** - Requires all public pension systems to adopt a policy requiring the disclosure of fees paid to investment placement agents, requires the disclosure of campaign contributions and gifts made by placement agents to public retirement board members, as specified, prohibits public retirement board members from selling investment products to other public retirement systems, and lengthens post-employment restrictions on influencing retirement board actions for former system executives and board members that currently apply to CalPERS and to CalSTRS and extends those expanded provisions to apply to all public retirement systems in California.

**Chapter 301, Statutes of 2009.**

**AB 1592 (Buchanan)** - Ratifies the provisions of a MOU between the state and the following three state BUs: BU 8 (Firefighters), represented exclusively by the California Department of Forestry Firefighters; BU 16 (Physicians, Dentists and Podiatrists), represented exclusively by the Union of American Physicians and Dentists; and, BU 19 (Health and Social Services/Professional), represented exclusively by the American Federation of State, County and Municipal Employees.

**Chapter 163, Statutes of 2010.**

**AB 1625 (John Perez)** - Approves the MOUs agreed to by the state and the state BUs represented exclusively by the Service Employees International Union, Local 1000, including BU 1 (Professional, Administrative, Financial, and Staff Services), BU 3 (Professional Educators and Librarians), BU 4 (Office and Allied), BU 11 (Engineering and Scientific Technicians), BU 14 (Printing and Allied Trades), BU 15 (Allied Services), BU 17 (Registered Nurses), BU 20 (Medical and Social Services), and, BU 21 (Educational Consultant and Library).

**Chapter 728, Statutes of 2010.**

**AB 1651 (De La Torre)** - Ensures that specified school employees and local safety members of CalPERS who are subject to mandatory furloughs are credited with the same amount of service and compensation they would have received absent the furlough.

**Chapter 574, Statutes of 2010.**

**AB 1658 (Lieu)** - Allows certain members of the Los Angeles County Employees' Retirement Association moving into safety membership due to a specified consolidation, to convert prior general member service to safety member service if the member elects to pay the cost for the conversion, as specified.

**Chapter 118, Statutes of 2010.**

**AB 1665 (Swanson)** – Would have required public school employers to give the exclusive representative of classified employees prior written notice of their intent to make any changes to matters within the scope of representation.

**Failed passage in the Senate Public Employment and Retirement Committee.**

**AB 1667 (Swanson)** - Implements the retirement provisions of a negotiated bargaining agreement between Alameda County and the Alameda County Deputy Sheriff's Association. This agreement eliminates the current 3% at 50 formula for all new deputies hired after April 17, 2010, and instead allows newly hired deputies to choose between the basic 2% at 50 formula or a 3% at 55 formula which requires additional employee contributions, as specified.

**Chapter 81, Statutes of 2010.**

**AB 1699 (Hernandez)** - Would have provided for continuous appropriations to pay the following: state employee wages, in any year in which a budget is delayed, for the period of time beginning July 1 and ending upon enactment of the new budget; contract obligations to contractors that provide goods and services to the state; and, area agencies on aging the sums necessary for administration of programs under their jurisdiction.

**Urgency clause refused adoption on the Senate Floor.**

**AB 1712 (Furutani)** – Would have required a school or community college district to grant a leave of absence to any permanent classified employee elected to the Legislature.

**Vetoed by the Governor.**

**AB 1729 (Yamada)** - Extends the time in which a member of the Armed Forces may receive veterans' preference points on entrance examinations for state employment from six to 12 months after the establishment of the employment list.

**Chapter 237, Statutes of 2010.**

**AB 1739 (Lieu)** - Allows, in Los Angeles County (County) only, specified death and disability benefits to be provided to an employee who is injured or killed during active military duty while on military leave from the County.

**Chapter 83, Statutes of 2010.**

**AB 1743 (Hernandez)** - Prohibits a person from acting as a placement agent in connection with any potential investment made by a state public retirement system unless that person is registered as a lobbyist in accordance with, and is in full compliance with, the requirements of the California Political Reform Act (PRA). Requires placement agents connected with investments made by local public retirement systems to comply with any applicable requirements imposed by a local government agency on lobbyists pursuant to the PRA.

**Chapter 668, Statutes of 2010.**

**AB 1744 (Portantino)** – Would have enacted the Public Employees' Bill of Rights Act which provides various rights and protections to non-excluded state civil service employees and requires that any adverse action taken against a state employee be initiated and the investigation completed within one year of the cause for discipline.

**Held in the Assembly Appropriations Committee.**

**AB 1764 (Portantino)** – Would have prohibited specified state employees whose annual base salary is over \$150,000 from receiving a salary increase until January 1, 2013.

**Held in the Assembly Appropriations Committee.**

**AB 1765 (Solorio)** – Would have prohibited a state employee from being furloughed, during a time in which California's unemployment rate reaches or exceeds 8.5%, if the employee is in a position funded at least 95% by the federal government, performs services that combat the state's recession, and works for the California Unemployment Insurance Appeals Board or the Employment Development Department.

**Vetoed by the Governor.**

**AB 1821 (Ma)** – Would have used the excess reserves from the CalPERS 1959 Survivor Benefit Program to merge the 1st and 2nd and 3rd benefit levels into a single contracting agency pool paying the current Level 3 survivor benefit.

**Vetoed by the Governor.**

**AB 1856 (Fong)** - Establishes a means for a CalPERS member making after-tax installment payments on a service credit purchase to suspend or prospectively cancel their service credit purchase election.

**Chapter 197, Statutes of 2010.**

**AB 1862 (Eng)** – Would have replaced the currently Governor-appointed retiree representative on the Teachers' Retirement Board with a representative elected by the retirees of CalSTRS.

**Vetoed by the Governor.**

**AB 1902 (Portantino)** - Effects changes to the Los Angeles County Employees Retirement Association's defined benefit Plan E that will ensure plan members are treated equitably under plan provisions for the recording of payroll data, disability eligibility, and benefit portability.

**Chapter 86, Statutes of 2010.**

**AB 1913 (Davis)** – Would have required the CalSTRS and CalPERS boards to report annually to the Legislature on the ethnicity and gender of emerging investment managers participating in the funds' management contracts.

**Held in the Senate Rules Committee.**

**AB 1987 (Ma)** – Would have established minimum standards and requirements for all public retirement systems in California with respect to final compensation, ongoing audits with penalties for noncompliance, and prohibitions against a retiree from immediately returning to employment with the public employer on a part-time or contract basis.

**Vetoed by the Governor.**

**AB 2008 (Arambula)** – Would have prohibited state civil service employees of certain specified agencies and boards from being furloughed by the Governor through Executive Order or by any other action of a state agency, board or commission.

**Vetoed by the Governor.**

**AB 2149 (Furutani)** - Deletes obsolete references to "fireman" in the '37 Act and replaces them with the gender neutral term "firefighter".

**Held in the Senate Rules Committee.**

**AB 2250 (Harkey)** - Would have provided that final compensation for a person who becomes a state member of CalPERS on or after January 1, 2011, and who is represented by state BUs 5, 6, 8, 9, or is a peace officer/firefighter member of state BU 7, or is an exempt employee, as specified, means the highest annual average compensation earnable by the member during a designated 36-month period.

**Not heard in the Assembly Public Employees, Retirement, and Social Security Committee at the request of the Author.**

**AB 2260 ((P.E.,R.&S.S. Com.))** - Makes various minor and technical amendments to the Teachers' Retirement Law (TRL) to facilitate efficient administration of CalSTRS.

**Chapter 207, Statutes of 2010.**

**AB 2331 (Skinner)** - Provides that notwithstanding the administrative appeal provisions of the Firefighters Procedural Bill of Rights Act, if a current MOU provides for binding arbitration of appeals, the arbitrator or arbitration panel will serve as the hearing officer, rather than the administrative law judge.

**Chapter 465, Statutes of 2010.**

**AB 2337 (Amiano)** – Would have prohibited California public retirement systems from participating in predatory real estate investment practices related to rent-regulated housing that result in excessive rent increases, the displacement of tenants, or conversion of rent-regulated housing into market rate housing.

**Failed passage in the Senate Public Employment and Retirement Committee.**

**AB 2341 (Huber)** - Would have provided for the removal of a member of the CalPERS Board of Administration if the board member has committed a breach of his or her fiduciary duties to the system, or if the board member is insolvent or otherwise unfit to administer the system.

**Not heard in the Assembly Public Employees, Retirement, and Social Security Committee at the request of the Author.**

**AB 2452 (Silva)** - Would have authorized the board of supervisors of Orange County to establish an optional SMART retirement plan for its general members under an executed memorandum of understanding with employee representatives, if the board of supervisors, by a majority vote, adopts a resolution providing that the provisions of this bill shall be applicable.

**Not heard in the Assembly Public Employees, Retirement, and Social Security Committee at the request of the Author.**

**AB 2510 (Fletcher)** - Provides the City of San Diego with the ability to establish a vesting requirement for post-retirement health benefits coverage that is different than what is allowed under current law for other CalPERS contracting agencies.

**Chapter 600, Statutes of 2010.**

**AB 2584 (Torlakson)** – Would have required both school and community college district personnel commissions to determine compensation for, evaluate, and supervise the commission's personnel director, as specified.

**Held in the Assembly Appropriations Committee.**

**AB 2608 (Chesbro)** – Would have extended, until January 1, 2012, the Rural Health Care Equity Program and extended the benefit provided by that program to all state employees and retired annuitants living in rural areas, as specified.

**Held in the Assembly Appropriations Committee.**

**AB 2621 (Norby)** – Would have repealed provisions in current law permitting the use of personal services contracts in school districts and community colleges for all services currently or customarily performed by classified school employees only when certain conditions are met.

**Failed passage in the Assembly Public Employees, Retirement, and Social Security Committee.**

**AB 2742 (Blakeslee)** - Allows state employees to donate leave credits to a leave bank of an eligible retired state employee who died from a non-work related illness or injury within 12 months of retirement.

**Chapter 608, Statutes of 2010.**

**ACR 178 (Niello)** - Authorizes the payment of State Merit Awards approved by DPA to five employees in various departments whose proposals resulted in the reduction of state expenditures or improvement in state operations.

**Resolution Chapter 159, Statutes of 2010.**

## Senate Bills

**SB 11 (Negrete McLeod)** - Authorizes the San Bernardino County Board of Retirement to establish a post-employment health benefits fund for the investment of assets held in trust for the exclusive purpose of providing health benefits to the retirees of that county, and those of any participating local agency.

**Chapter 326, Statutes of 2009.**

**SB 37 (Stickland)** - Requires that state employees participating in the direct deposit program receive their statement of earnings and deductions by an electronic method unless the employee requests, in writing, to receive a paper version of the statement.

**Chapter 329, Statutes of 2009.**

**SB 345 (Negrete McLeod)** - Requires, in San Bernardino County only and only upon the adoption of the Board of Supervisors, that the special death benefit paid to a surviving spouse or eligible children of a safety member killed in the line of duty be increased when the compensation is increased for active members in his or her final job classification and membership category. The special death benefit will be increased only until the earlier of the death of the surviving spouse or eligible children or the date that the deceased member would have reached age 50.

**Chapter 583, Statutes of 2009.**

**SB 414 (Correa)** – Would have made various changes to the process for filling vacancies on boards of retirement and boards of investment in '37 Act county retirement systems.

**Vetoed by the Governor.**

**SB 519 (Ashburn)** - Eliminates the January 1, 2010 sunset on the 5th level 1959 Survivor Benefit for certain state and school employees covered under CalPERS who do not participate in the Social Security program and approves the addendum to the MOU entered into by the state and state BU 5 (Highway Patrol), represented exclusively by the California Association of Highway Patrolmen (CAHP) and makes the statutory changes needed to implement the provisions of the addendum.

**Chapter 188, Statutes of 2009.**

**SB 538 (P.E. & R. Committee)** - Requires, in Los Angeles County only, a safety member returning from disability leave be given the same opportunity to receive certification as to his or her ability to perform assigned duties as is available to other safety members in the County, thereby avoiding being subject to the mandatory retirement age provisions.

**Chapter 190, Statutes of 2009.**

**SB 623 (Ashburn)** – Would have prohibited a local agency from entering into an underwriting, or similar relationship with an individual or firm, with respect to a bond issue that requires voter approval on or after January 1, 2011, if that individual or firm, or an employee, agent or person related to an employee or agent of the individual or firm, provided or will provide bond campaign services to the bond campaign. As heard in the Assembly PER&SS Committee, this bill allowed SPB to extend the two-year maximum of Limited Term appointments for up to two-years (total four years) if the extension is needed because the funding for the position exceeds two years, or to retain the expertise of the current incumbent to complete the project that is still in progress, or to prevent a disruption in state service.

**Failed passage in the Senate Local Government Committee.**

**SB 634 (P.E. & R. Committee)** - Makes various minor and technical amendments to the Teachers' Retirement Law to facilitate efficient administration of CalSTRS.

**Chapter 304, Statutes of 2009.**

**SB 644 (Denham)** - Increases, by an additional five points, the veteran's preference points given on open, nonpromotional state civil service entrance examinations so that the veteran's preference points awarded in open, nonpromotional examinations are the same as those awarded in open examinations.

**Chapter 357, Statutes of 2009.**

**SB 656 (DeSaulnier)** – Would have provided that a local public agency bargaining unit which is comprised of a majority of persons who are peace officers will also be excluded from the jurisdiction of the Public Employment Relations Board for purposes of dispute resolutions.

**Vetoed by the Governor.**

**SB 752 (Correa)** - Implements a negotiated bargaining agreement between Orange County and the Orange County Employees' Association. This agreement implements a second tier option for new non-safety employees and gives incumbent non-safety employees a one-time election to enter the new lower tier, for prospective service only.

**Chapter 362, Statutes of 2009.**

**SB 846 (Correa)** - Ratifies the provisions of a MOU between the state and the following three state BUs: BU 5 (Highway Patrol), represented exclusively by the California Association of Highway Patrolmen; BU 12 (Craft and Maintenance), represented exclusively by the International Union of Operating Engineers; and, BU 18 (Psychiatric Technicians), represented exclusively by the California Association of Psychiatric Technicians.

**Chapter 162, Statutes of 2010.**

**SB 867 (Hollingsworth)** - Implements the 2010 Pension Reform transparency provisions agreed to as part of the 2010-11 budget package. Specifically, this bill requires CalPERS to report its investment returns, amortization period, and discount rates using specific analytical guidelines every time it adopts contribution rates. The Treasurer is required to report to both houses of the Legislature during a publicly noticed floor session on the contents of this CalPERS report.

**Chapter 733, Statutes of 2010.**

**SB 1139 (Correa)** - Makes several minor or technical amendments to various sections of the Government Code administered by CalPERS that are necessary for the continued efficient administration of the system.

**Chapter 639, Statutes of 2010.**

**SB 1217 (P.E. & R. Committee)** - Allows an employee of the state to designate a primary person and up to three contingent persons for receipt of final pay warrants upon the employee's death. In addition, it clarifies that the employee could also designate a corporation, trust, or the employee's estate as a recipient of those warrants.

**Chapter 155, Statutes of 2010.**

**SB 1425 (Simitian)** – Would have established minimum standards and requirements for all public retirement systems in California with respect to final compensation, ongoing audits with penalties for noncompliance, and prohibitions against a retiree from immediately returning to employment with the public employer on a part-time or contract basis.

**Vetoed by the Governor.**

**SB 1479 (P.E. & R. Committee)** - Makes technical and non-controversial changes to the '37 Act. Specifically, this bill:

- 1) Allows the retirement board of a county to set the date upon which a new employee becomes, or ceases being, a member, but that date can be no later than 12 weeks after entering employment with the county and no sooner than 12 weeks prior to ending employment under the previous public employer.
- 2) Allows a district participating in the San Bernardino County Employee Retirement Association to prepay all or part of the district's required annual contributions to the retirement system, as specified.
- 3) Allows, in Alameda County only, the administrative costs of operating the Supplemental Retiree Benefits Reserve (SRBR) to be paid through the retirement system's administrative budget and reimbursed by the SRBR bringing them into compliance with Internal Revenue Service rulings regarding the exclusive benefit rule.

**Chapter 158, Statutes of 2010.**

**SBX6 22 (Hollingsworth)** - Enacts the pension reforms for all new state employees hired on or after January 15, 2011, including those employees in bargaining units that do not currently have a MOU with the state, and employees of the California State University, the judicial branch of government, the Legislature, and classified school employees. This bill adopts pension benefit levels that existed before SB 400 (Ortiz), Chapter 555, Statutes of 1999, for these various classifications of state employees and apply these reduced benefit levels only to new state employees hired on or after January 15, 2011. In addition, the bill this bill imposes a three-year final compensation formula to calculate retirement final benefits for all new state employees that are members of a bargaining unit that are not currently subject to an existing MOU with the State.

**Chapter 3, Statutes of 2010.**

**SBX8 29 (Steinberg)** – Would have exempted state civil service employees from being furloughed if employed in positions funded at least 95% by sources other than the General Fund, prohibits state agencies, boards, and commissions from implementing, or assisting with implementation of, furloughs for such employees, and specifically exempts all employees of the Franchise Tax Board and Board of Equalization from being furloughed.

**Vetoed by the Governor.**

## Governor's Vetoes

### **AB 194 (Torrico and Torres)**

I am returning Assembly Bill 194 without my signature.

This bill limits the salary that retirement benefits are based on for individuals, prospectively after January 1, 2011, to 125% of the Governor's salary, as specified.

The current compensation limit imposed by the federal government to determine public employee retirement benefits is \$245,000. Currently, this bill would cap the compensation counted towards retirement at \$217,483. While this two tiered cap that would be created by this bill would make a very small dent in the pension problem California faces, it cannot be considered real pension reform. I am still hopeful that the Legislature will pass an acceptable bill that addresses the real cost issues that have driven up the liability in public pension systems.

For these reasons, I am unable to sign this bill.

Arnold Schwarzenegger

### **AB 226 (Torrico)**

I am returning Assembly Bill 226 without my signature.

This bill includes provisions intended to address issues resulting from changes to law proposed by AB 1987 (Ma). Since I am vetoing AB 1987, those provisions in this bill are not necessary.

The other provision in this bill permits Sacramento County to immediately implement a lower retirement tier for newly hired safety employees, for specified bargaining groups. I encourage Sacramento County to reach responsible agreements with their employees, and seek new legislation to implement that component of the deal.

For these reasons, I am unable to sign this bill.

Arnold Schwarzenegger

**AB 755 (Brownley)**

I am returning Assembly Bill 755 without my signature.

This bill unnecessarily limits the State's flexibility in the use of non-state personnel with distinct expertise and experience. In certain instances, state civil service employees may not provide the same level of expertise and may be more costly. The ability for the state to benefit from the expertise of non-state employees should not be restricted.

For these reasons, I am unable to sign this bill.

Arnold Schwarzenegger

**AB 1136 (Fong)**

I am returning Assembly Bill 1136 without my signature.

This bill would create a situation whereby certain county retirees could change their retirement elections and increase their benefits as a result. I am concerned that this could create unfunded increases to county retirement costs. At this time, even small increases would be unacceptable.

For this reason, I am unable to sign this bill.

Arnold Schwarzenegger

**AB 1712 (Furutani)**

I am returning Assembly Bill 1712 without my signature.

This bill would undermine the ability of a local governing board to make staffing decisions based on its priorities and needs. These provisions should be negotiated through the collective bargaining process, rather than imposed by state law.

For these reasons, I am unable to sign this bill.

Arnold Schwarzenegger

**AB 1765 (Solorio)**

I am returning Assembly Bill 1765 without my signature.

This bill would exempt specified employees from being subject to any furloughs. While there may be a need to exempt specific employees from furlough, that exemption should be determined on a case-by-case basis depending on the exigencies of the fiscal crisis. By statutorily exempting certain employees from furloughs, this bill limits a Governor's discretion to tailor a furlough policy to appropriately meet the needs of the State.

For these reasons, I am unable to sign this bill.

Arnold Schwarzenegger

**AB 1821 (Ma)**

I am returning Assembly Bill 1821 without my signature.

This bill results in arbitrarily increasing the level of benefits being paid out to those beneficiaries that did not contribute towards this increased level of benefit. While I recognize that surplus funds are not being utilized in the specified 1959 Survivor Benefit Program funds, it does not make sense to increase the benefit amounts to even the small number of participants that would be affected by this measure. That is a policy that runs counter to the overall pension reform direction I believe the state should be adopting.

For these reasons, I am unable to sign this bill.

Arnold Schwarzenegger

**AB 1862 (Eng)**

I am returning Assembly Bill 1862 without my signature.

There is no documented problem that demonstrates the need to change current law with this bill.

For these reasons, I am unable to sign this bill.

Arnold Schwarzenegger

**AB 1987 (Ma)**

I am returning Assembly Bill 1987 without my signature.

The practice of pension-spiking is a serious one that deserves significant attention by the Legislature in curbing the unacceptable manner in which individual workers are able to artificially boost their retirement payouts. There are numerous examples of public employees taking home larger pension checks in retirement than what they earned in base salary when they were actually working.

California does need a consistent standard that is transparent, understandable, and implementable throughout the state. While this bill purports to address this issue by segregating out some of the factors that have allowed pension spiking, in some instances it still allows local pension boards to determine what is ultimately counted in an employee's pension calculation. This does not provide consistent treatment of all employees. The taxpayers of California deserve better. I am still hopeful that the Legislature can send me acceptable pension reform legislation.

For these reasons, I am unable to sign this bill.

Arnold Schwarzenegger

**AB 2008 (Arambula)**

I am returning Assembly Bill 2008 without my signature.

This bill would exempt specified employees from being subject to any furloughs. While there may be a need to exempt specific employees from furlough, that exemption should be determined on a case-by-case basis depending on the exigencies of the fiscal crisis. By statutorily exempting certain employees from furloughs, this bill limits a Governor's discretion to tailor a furlough policy to appropriately meet the needs of the State.

For these reasons, I am unable to sign this bill.

Arnold Schwarzenegger

**SB 414 (Correa)**

I am returning Senate Bill 414 without my signature.

Among other things, this bill prohibits a county retirement board from limiting the role of an alternate member's participation in board meetings and committees. It also mandates that an election to fill board vacancies be held at the earliest possible date. Both of these provisions are unnecessarily limiting of the flexibility of these local entities.

For these reasons, I am unable to sign this bill.

Arnold Schwarzenegger

**SB 656 ((DeSaulnier))**

I am returning Senate Bill 656 without my signature.

While I am supportive of employee rights, this bill would create an inconsistent treatment of non-peace officer employees in unions with peace officer majorities and similar non-peace officer employees that are in unions without a peace officer majority. I do not believe a sufficient case can be made why one group should circumvent the existing dispute resolution process that currently exists through the Public Employment Relations Board.

For these reasons, I am unable to sign this bill.

Arnold Schwarzenegger

**SB 1425 (Simitian)**

I am returning Senate Bill 1425 without my signature.

The enactment of this bill is contingent upon the enactment of Assembly Bill (AB) 1987 (Ma). I am vetoing AB 1987 because it does not provide real pension reform. I am still hopeful that the Legislature will pass an acceptable bill that really addresses California's pension problem.

For these reasons, I am unable to sign this bill.

Arnold Schwarzenegger

**SBX8 29 (Steinberg)**

I am returning Senate Bill X8 29 without my signature as it would undermine necessary actions taken to achieve budgetary and cash solutions.

This bill would exempt state civil service employees funded at least 95 percent by sources other than the General Fund, and employees of the Franchise Tax Board and the State Board of Equalization from furloughs. This bill also prohibits state agencies, boards, and commissions from implementing, or assisting with the implementation of, furloughs for such employees.

State employees throughout California are hard-working public servants who play a vital role in providing services to millions of Californians. But the depth and breadth of the state's unprecedented fiscal crisis required the state to achieve immediate budgetary savings in all areas of state government including state payroll. That is why I implemented the furlough program last year as a temporary measure to achieve savings and to also provide the state with an additional cash management tool. It was also intended as a way to achieve savings in employee compensation as an alternative to deeper state employee layoffs. And as I indicated in my budget proposal, the current furlough program will end as scheduled on June 30th. Instead, I have proposed a package of employee compensation savings to be enacted by the Legislature.

It is necessary to apply furloughs across the board, with limited exemptions as needed to protect public health and safety, to effectively manage the workforce, and to avoid inequities and morale problems for state employees. Further, this bill as written would be difficult, if not impossible to implement. Many positions are funded through multiple funding sources and as such it is not always possible to determine if they are funded at least 95 percent by sources other than the General Fund.

Finally, this bill would limit the ability of future Governors to implement furloughs during a fiscal emergency. It is imperative that Governors have maximum flexibility to address such emergencies. As this is a matter presently before the courts, attempts to legislatively limit Governors' furlough authority are premature until a final judgment has been made.

For these reasons, I am returning this bill without my signature.

Arnold Schwarzenegger