



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 6

MEETING DATE: **May 20, 2020**

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

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

RECOMMENDATION

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

PURPOSE

This item complies with the 2019-20 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 – May 2020

Prepared by:

/S/

Eric Stern
Chief Executive Officer



May 7, 2020

TO: State Association of County Retirement Systems

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

RE: **Legislative Update – May 2020**

Overview

The Legislature is returning to the Capitol to conduct policy committee hearings and budget committee hearings. The Assembly returned Monday, May 4 while the Senate will return on May 11.

Each Assembly policy committee is holding one hearing in which all bills for that committee will be heard and voted on. Typically, a committee will hear hundreds of bills over a two or three-month period. Under the Assembly's plan, the committees will scale back the total number of bills heard to just a couple dozen or less. The hearings will be conducted in one of three large rooms in the Capitol, with one of the "committee rooms" being the floor of the Assembly. This is being done to accommodate social distancing for the legislative members of the committees. Legislators will present their bills but will not be allowed to bring staff to the committee room. Committee consultants will be the only staff allowed in the committee rooms.

Further, there will be limited opportunity for public/lobbyist testimony on any given bill. Proponents and opponents will be limited to only two speakers per side and the testimony is strongly encouraged to be done via a dedicated teleconference line. Live testimony will be allowed from a remote, separate room in the Capitol. However, with public access to the Capitol being limited, it is not likely that much testimony will be provided in this manner.

More troubling from an advocacy point of view is the fact that all lobbying is currently being done over the phone or through video chat platforms such as Zoom. Lobbying meetings are difficult to schedule in this manner and are further complicated because the Committees have not fully released agendas showing which bills the committee will hear on its designated one-day hearing date.

With only a fraction of the total bills being heard and voted on, legislators were encouraged by leadership to limit their bill packages to those that are directly related to the COVID-19 emergency, economic recovery from the emergency and to wildfire

preparedness and response. To date, that advice and encouragement is not being followed.

Legislative Issues on the Horizon

Over the last two months, the Governor has been the sole policymaker in California. He has created and implemented public policy through dozens of Executive Orders and in many, but not all cases, he appears to be consulting with legislative leadership. Nonetheless, there is a desire by legislators to have input on policies relating to the COVID-19 crisis and the government response to the crisis.

The Governor has issued orders on several COVID-19 related employment issues including paid sick leave, worker safety and unemployment insurance.

The following bills have been introduced on these subjects:

Leave

AB 2999 (Low) -- Bereavement Leave

This bill would prohibit an employer from refusing to grant a request by any employee to take up to 10 days of bereavement leave.

AB 3216 (Kalra) – Employment Leave for COVID-19

This bill would prohibit an employer from refusing to grant family or medical leave to an employee due to COVID-19. The bill would not require this leave to be paid and would allow the employee to elect to use accrued paid vacation leave for this purpose.

SB 943 (Chang) – Paid Family Leave for School Closures

This bill would allow an employee to utilize the Temporary Paid Family Leave through the State Disability Insurance program in order take care of a child whose school has been closed due to the COVID-19 crisis.

Unemployment Insurance

AB 1107 (Chu) Temporary Additional Benefits

Currently, the weekly unemployment insurance benefit amount is capped at \$450 per week. This amount is supplemented by a temporary federal unemployment benefit of \$600 per week. This bill would provide that the State Unemployment Insurance Fund would provide \$600 per week once the federal unemployment insurance supplement expires.

AB 3329 (Daly) Temporary Additional Benefits. This bill would provide an additional \$100 to California UI benefits when the federal temporary assistance for COVID-19 is terminated. The bill would prohibit any additional UI authorized by the bill to be charged against the reserve account of any employer.

Workers' Compensation

On May 6, the Governor signed an Executive order that declares that workers who are required by their employer to go to the workplace, and who tested positive for

COVID-19 or were diagnosed by a physician, would be presumed to have contracted the illness at work and receive worker's compensation benefits. The presumption is rebuttable by the employer within the first 30 days of the claim (as opposed to a "conclusive" presumption that has been proposed in a bill below). Work-from-home employees would not be covered by the order. The order expires 60 days from May 6.

In recent days and weeks, legislators have introduced a number of bills on the subject. It is possible that the Governor wanted to take action to get ahead of those efforts, but it remains to be seen whether legislators will continue to pursue their bills. They include:

AB 196 (Gonzalez)

This bill would conclusively presume that all essential workers who test positive for COVID-19 were exposed at work.

AB 664 (Cooper)

This bill would include COVID-19 infection as an injury for purposes of workers' compensation benefits for state and local firefighting personnel, peace officers, certain hospital employees, and other emergency personnel.

SB 893 (Caballero)

This bill would include infectious disease as an injury for hospital employees and make it a rebuttable presumption that an infectious disease injury occurred at work for purposes workers' compensation.

SB 1159 (Hill)

This bill would define COVID-19 infection as an injury for any critical worker (essentially anybody working during the shelter-in-place order) and make it a "disputable" presumption that such an injury occurred at work.

As noted above, the work agenda for the Legislature is not fully developed. We will keep you apprised of new and emerging matters as they develop.