

Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

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MEETING DATE: September 16, 2020

SUBJECT: State Association of County Retirement Systems

Legislative Update – September 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 September 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 – September 2020 |
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Eric Stern
Chief Executive Officer

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

September 3, 2020

TO: State Association of County Retirement Systems

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

Robson & Smith, LLC

RE: Legislative Update – September 2020

On Monday August 31, the Legislature adjourned for final recess, marking the end of the 2019-2020 legislative session. The 2020 legislative year has been the strangest in modern times. The COVID-19 pandemic has forced legislators out of the Capitol twice this year, once between March and mid-May and once for two weeks at the end of July when two Assemblymembers contracted the virus.

Last Wednesday, Republican Senator Brian Jones tested positive for COVID-19, throwing yet another curveball as the Legislature approached the end of session. While Democrats have been caucusing via zoom, most Republicans have continued meeting in person. They also recently met for an in-person dinner. Consequently, Senate Leadership chose to prevent members who attended those meetings with Senator Jones from attending floor session in person. Instead, members of the Republican caucus, with the exemption of one Senator who did not attend the gatherings, were forced to remain home and vote remotely from there.

Since the beginning of the pandemic, both houses have set procedures for remote voting in anticipation for a scenario like this one. While it has been used in select circumstances, the legality of remote voting has been questioned. It remains to be seen if there will be legal challenges regarding this decision.

Given the decision to quarantine nearly the entire Senate Republican caucus, tensions in the final days of session were high. The last hours of floor session were characterized by unprecedented conflict between Senate Republicans and Democrats, centered primarily around the fact that Republicans, being quarantined as they were, felt restricted in their ability to participate in the proceedings on the Senate floor.

As leadership worked to settle these disagreements, business on the Senate floor was delayed, leaving the house in a time crunch to take up the remaining bills on their agenda before midnight. The impacts of this time delay were also felt in the Assembly, whose members must wait for many bills to be sent over from the Senate for final passage. At the same time, both houses were holding bills hostage and Senate Republicans were accused of stalling to run out the clock.

In the end, due to the conflict in the Senate and bill hostage-taking, the clock struck midnight before several bills were heard on the floor on both houses. The bills that did pass out of both houses will be sent to the Governor who will have 30 days to consider the bills for his signature.

SACRS Sponsored Bill – AB 2101 (Committee on Public Employment and Retirement)

As previously reported, the provisions of the SACRS sponsored bill, SB 783 (Committee on Labor, Public Employment and Retirement), were amended into AB 2101. The bill passed out of the Legislature on August 31 and was sent to the Governor. He is expected to sign the bill.