

CONCURRENCE IN SENATE AMENDMENTS

AB 1971 (Cooper)

As Amended June 30, 2022

Majority vote

SUMMARY

Makes various substantive changes to the County Employees Retirement Law (CERL) administered by the 20 independent County Employee Retirement Associations, also commonly referred to as "1937 Act," "'37 Act," or "CERL" systems.

Senate Amendments

- 1) Relating to post-retirement service on boards and commissions:
 - a) Clarify that a CERL system retiree is authorized to serve without reinstatement, and as otherwise provided, on a board or commission: i) of the county that is a covered employer of the same retirement system, or ii) under a participating agency of the county that is a covered employer under the same retirement system.
 - b) Limit the authorization, as provided, to an appointment or election to a nonsalaried, part-time board or commission, but allows the member to receive any per diem that is authorized to all members of the board or commission.
- 2) Make a technical change.

COMMENTS

As previously passed by the Assembly, the prior version of this bill relating to the subject of the Senate amendment established a limited authorization to an appointment or election to a part-time board or commission for which "*...any salary or stipend for serving does not exceed \$60,000.*" Senate amendments removed the italicized provision, and limited remuneration to per diem, as provided.

Brief Background on the CERL and '37 Act County Retirement Systems

Twenty counties currently operate separate and independent retirement systems under the CERL. The counties are: Los Angeles, Orange, San Diego, Alameda, San Bernardino, Sacramento, Contra Costa, San Mateo, Fresno, Ventura, Kern, San Joaquin, Santa Barbara, Marin, Sonoma, Stanislaus, Tulare, Merced, Imperial, and Mendocino.

The CERL establishes "classes" of each county operating a retirement system thereunder which mirror the population of each county as ascertained and determined pursuant to Section 28020 of the Government Code. For example, under the CERL, Los Angeles County is of the first class; Orange County is of the second class; San Diego County is the third class; Alameda County is the fourth class; and so forth. None of the counties under the CERL are within the same class.

While there are Similarities in the CERL Related to System Administration and Administration of Retirement Benefits by '37 Act Systems, the CERL Also Provides a Modicum of Variation Among Them

The Public Employees' Retirement Law (PERL), administered by the California Public Employees' Retirement System (CalPERS), and the Teachers' Retirement Law (TRL), administered by the California State Teachers' Retirement System (CalSTRS), establish uniform standards that commonly apply to members, participating agencies and school districts governed by those laws, respectively.

In contrast, while the CERL generally provides a certain level of uniform standards relating to retirement benefits and the administration of such benefits, it also recognizes and allows for a modicum of difference in the administration of these systems and administration of retirement benefits since each CERL jurisdiction is separate, unique, and independent from the others.

There are numerous sections throughout the CERL in which certain provisions are made expressly applicable to a particular county or counties that has or have adopted the provisions of the CERL. The provisions in this bill would uniformly apply to each of the 20 county retirement systems.

Please see the policy committee analysis for a full discussion of this bill.

According to the Author

"This bill] modernizes and aligns various provisions in the CERL with existing practices to provide additional clarity for the 20 retirement systems that administer benefits [thereunder]."

Arguments in Support

According to the State Association of County Retirement Systems on behalf of the 20 independent, '37 Act systems, this bill makes changes to conform with practices of the California Public Employees' Retirement System and California State Teachers' Retirement System that allow service purchase for all leaves that are covered under the Family and Medical Leave Act (FMLA) that are not due to the illness of the member, rather than amending the law every time there is a change in the FMLA law; provides retirement boards with certain authority relating to temporary mandatory furloughs; clarifies that nonsalaried positions and per diems do not count as double-dipping for members appointed to boards or commissions under purview of a participating employer of a county system, and allows members to change the optional allowance relating to disability retirement.

The Los Angeles County Employees Retirement Association states among other things that, "[this bill would] ensure efficient and effective administration of plan benefits for our members."

Arguments in Opposition

None on file.

FISCAL COMMENTS

None.

VOTES:

ASM PUBLIC EMPLOYMENT AND RETIREMENT: 4-0-2

YES: Cooper, Calderon, Rodriguez, O'Donnell

ABS, ABST OR NV: Voepel, Seyarto

ASSEMBLY FLOOR: 62-0-16

YES: Aguiar-Curry, Arambula, Bauer-Kahan, Bennett, Bloom, Boerner Horvath, Mia Bonta, Bryan, Calderon, Carrillo, Cervantes, Cooley, Cooper, Cunningham, Daly, Mike Fong, Friedman, Gabriel, Cristina Garcia, Eduardo Garcia, Gipson, Gray, Grayson, Haney, Holden, Irwin, Jones-Sawyer, Kalra, Lackey, Lee, Levine, Low, Maienschein, Mathis, Mayes, McCarty, Medina, Mullin, Muratsuchi, Nazarian, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Stone, Ting, Valladares, Villapudua, Waldron, Ward, Akilah Weber, Wicks, Wilson, Wood, Rendon

ABS, ABST OR NV: Berman, Bigelow, Chen, Choi, Megan Dahle, Davies, Flora, Fong, Gallagher, Kiley, Nguyen, O'Donnell, Patterson, Seyarto, Smith, Voepel

SENATE FLOOR: 36-0-4

YES: Allen, Archuleta, Atkins, Bates, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Grove, Hertzberg, Hueso, Hurtado, Jones, Kamlager, Laird, Leyva, Limón, McGuire, Melendez, Min, Newman, Nielsen, Ochoa Bogh, Pan, Portantino, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener, Wilk

ABS, ABST OR NV: Borgeas, Dahle, Gonzalez, Roth

UPDATED

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