

CA Retired County Employees Association (CRCEA)

State Legislative

Briefing

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What was up with the pandemic?

- ▶ **Governor Newsom calls for state of emergency**
 - ▶ **2020, 2021, 2022**
- ▶ **Federal Aid Funding**
 - ▶ **Hospital beds**
 - ▶ **Masks**
 - ▶ **Vaccines**
 - ▶ **Rent Relief**
 - ▶ **Additional paid sick leave**
 - ▶ **Small business relief**
 - ▶ **“Hero” pay**

What did advocacy look like?

- ▶ **The Capitol was closed to the public**
 - ▶ **Senate, remote voting – Assembly, in person**
 - ▶ **All advocacy and testimony was remote = chaos**
 - ▶ **Maximum # of bills introduced – no exceptions**
 - ▶ **Very few bills outside of COVID, homelessness, behavioral health, learning loss**
- ▶ **Zoom meetings, zoom happy hours, zoom fundraisers, zoom client presentations, zoom everything**

The State Budget & the Budget Trailer Bill Process

- ▶ **\$300b general fund budget**
- ▶ **\$97b surplus**
 - ▶ **Rainy day fund**
 - ▶ **Rebates of up to \$1,050 per household based on salary**
 - ▶ **Behavior health & homelessness**
 - ▶ **Climate Change**
 - ▶ **Ban sale of gas fueled cars by 2035**

The State Budget & the Budget Trailer Bill Process

- ▶ **Drought & Water Resilience**
- ▶ **Energy reliability – rolling blackouts**
- ▶ **Wildfires**
- ▶ **Education – combating learning loss**
- ▶ **Healthcare:**
 - ▶ **Expand Covered CA premium subsidies for middle class**
 - ▶ **Increase access to Medi-cal**

The State Budget & the Budget Trailer Bill Process

- ▶ **Public pensions**
 - ▶ **Additional payments over statutory contribution requirements**
- ▶ **Expand broadband to underserved areas**
- ▶ **The TBL Process**
 - ▶ **Attached to the overall state budget bill**
 - ▶ **Policy changes in statute**
 - ▶ **No policy committee hearings/votes**

Pension News

▶ **Recession looms**

- ▶ **CalPERS, STRS and other pension funds experienced return losses**
- ▶ **18 of the largest pension funds – cumulative funding ratio expected to drop from 86% to 79% (CalPERS dropped from 82% to 71%)**
- ▶ **First loss since Great Recession**
- ▶ **Causes:**
 - ▶ **Volatile global financial markets, geopolitical instability, interest rate hikes and inflation.**

Pension News

- ▶ **LACERA saw a .1% fund growth this past fiscal year**
 - ▶ Not much experience predicting the market due to geopolitical divides and climate change
- ▶ **AB 826 – Vetoed**
 - ▶ Would have required that payments the county made to the legacy employees to buy health insurance count in the compensation used to calculate their pensions.
 - ▶ "attempt to circumvent recent court decisions, undermine the intent of the reform act and expose local governments to increased cost and litigation."

Pension News

- ▶ **SB 278 – January 1, 2022 (Applies to CalPERS only)**
 - ▶ **Mistakes made by local governments that improperly inflate retirees' pensions. IE: employers counting non-pensionable pay items.**
 - ▶ **Employer must cover the difference**
 - ▶ **Only applies to mistakes that caused employees to make extra contributions toward their**

Questions?

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