

**MercedCERA ADMINISTRATIVE BOARD MEETING AGENDA  
THURSDAY, MAY 13, 2021**

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
TELEPHONE NUMBER: 1-310-372-7549, CONFERENCE CODE: 975839**

**ALTERNATE CONFERENCE CALL IN NUMBER (FOR USE ONLY IF PRIMARY  
NUMBER MALFUNCTIONS): 669-900-6833, Meeting ID: 930 3019 5748, Passcode: 095484**

**CALL TO ORDER 8:15 A.M.**

**Important Notice Regarding SARS-COV-2**

**Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the SARS-COV-2 virus, MercedCERA's building will be closed to the public during MercedCERA Board meetings. Members of the MercedCERA Board will participate in this meeting offsite via conference call. Members of the public may listen to the meeting and offer public comment telephonically by calling into the telephone number provided above and entering the stated conference code. If you have any issues participating in the meeting telephonically or require reasonable accommodation for your participation, please contact MercedCERA staff at 209-726-2724. Please turn your cell phone or other electronic device to non-audible mode or mute.**

**ROLL CALL**

**APPROVAL OF MINUTES – April 22, 2021.**

**PUBLIC COMMENT**

Members of the public may comment on any item under the Board's jurisdiction. Matters presented under this item will not be discussed or acted upon by the Board at this time. For agenda items, the public may make comments at the time the item comes up for Board consideration. Persons addressing the Board will be limited to a maximum of five (5) minutes in total. Please state your name for the record.

**CONSENT CALENDAR**

Consent matters are expected to be routine and may be acted upon, without discussion, as one unit. If an item is taken off the Consent Calendar for discussion, it will be heard as the last item(s) of the Board Action/Discussion as appropriate.

**RETIREMENTS:** Pursuant to Govt. Code § 31663.25 or § 31672

All items of earnable compensation for service or disability retirements listed below are in compliance with the pay code schedule approved by the Board of Retirement. The retirement is authorized; however, administrative adjustments may be necessary to alter the amount due to: audit, late arrival of data, court order, etc.

a. Masasso, Robert	Solid Waste	6 Yrs. Svc.	Eff. 04/12/2021
b. Cervantez, Audrey	H.S.A.	20 Yrs. Svc.	Eff. 04/10/2021
c. Callahan, Caroline	B.O.S.	23 Yrs. Svc.	Eff. 04/10/2021
d. Hulsizer, Carol	Beh. Health	22 Yrs. Svc.	Eff. 05/01/2021
e. Hernandez, Jose	D.P.W.	23 Yrs. Svc.	Eff. 05/01/2021
f. Szakala, Heidi	Probation	16 Yrs. Svc.	Eff. 04/24/2021
g. Xiong, Khou	Public Health	28 Yrs. Svc.	Eff. 05/11/2021

h. Mua, Kua	Probation	25 Yrs. Svc.	Eff. 05/01/2021
i. Magnuson, David	H.S.A.	20 Yrs. Svc.	Eff. 05/08/2021

YTD fiscal year 2020/2021 retirees: 76  
YTD fiscal year 2019/2020 retirees: 104  
YTD fiscal year 2018/2019 retirees: 103

**REFUND OF SERVICE PURCHASE:** None  
**DEATH BENEFIT:** None  
**MONTHLY BUDGET REPORT:** Submitted.

### **BOARD ACTION<sup>1</sup>/DISCUSSION**

1. Discussion and possible action to direct the voting delegate to support the SACRS Omnibus Bill, which will be included in the SACRS Spring Conference Business Meeting – Staff.
2. Review calendar of any training sessions and authorize expenditures for Trustees and Plan Administrator. Pursuant to Govt. Code § 31522.8 and MercedCERA’s Trustees Education and Training Policy requirements. Examples of upcoming training and educational sessions:
  - CALAPRS Advanced Principles of Pension Governance for Trustees, June 7, 9, 11, 2021.
  - SACRS/UC Berkeley Public Pension Investment Management Program, July 13-22, 2021 (virtual conference).
  - SACRS Fall Conference, November 9-12, 2021 (in person/virtual conference TBD).

### **INFORMATION ONLY**

#### **MercedCERA UPCOMING BOARD MEETINGS**

Please note: The MercedCERA Board Meeting and/or Education Day times and dates may be changed in accordance with the Ralph M. Brown Act by the MercedCERA Board as required.

- May 27, 2021
- June 10, 2021

### **ADJOURNMENT**

All supporting documentation is available for public review at [www.co.merced.ca.us/retirement](http://www.co.merced.ca.us/retirement)

Any material related to an item on this Agenda submitted to the Merced County Employees’ Retirement Association, after distribution of the Agenda packet is available for public inspection at [www.co.merced.ca.us/retirement](http://www.co.merced.ca.us/retirement)

Persons who require accommodation for a disability in order to review an agenda, or to participate in a meeting of the Merced County Employees’ Retirement Association per the American Disabilities Act (ADA), may obtain assistance by requesting such accommodation by emailing the Merced County Employees’ Association at [MCERA@co.merced.ca.us](mailto:MCERA@co.merced.ca.us), or telephonically by calling (209) 726-

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<sup>1</sup> “Action” means that the Board may dispose of any item by any action, including but not limited to the following acts: approve, disapprove, authorize, modify, defer, table, take no action, or receive and file.

2724. Any such request for accommodation should be made at least 48 hours prior to the scheduled meeting for which assistance is requested.

**MercedCERA RETIREMENT BOARD INVESTMENT MEETING MINUTES  
THURSDAY, APRIL 22, 2021**

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
TELEPHONE NUMBER: 1-310-372-7549, CONFERENCE CODE: 975839**

ALTERNATE CONFERENCE CALL IN NUMBER (FOR USE ONLY IF PRIMARY  
NUMBER MALFUNCTIONS): 669-900-6833, Meeting ID: 930 3019 5748, Passcode: 095484

**CALL TO ORDER:** 8:15 A.M.

**ROLL CALL**

**Board Members Present:** Ryan Paskin, Scott Johnston, Al Peterson, Janey Cabral, Karen Adams, Aaron Rosenberg, Scott Silveira, David Ness and Michael Harris. **Absent:** Wendy Alvares and Kalisa Rochester. **Counsel:** Jeff Grant. **Staff:** Kristen Santos, Martha Sanchez, Alexis Curry, Michelle Lee, Ninebra Maryoonani, Brenda Mojica, Sheri Villagrana and Mark Harman.

**APPROVAL OF MINUTES:** April 8, 2021

The MercedCERA Board voted unanimously via roll call vote to approve the April 8, 2021 minutes.

Silveira/Cabral U/A (8-0)

**PUBLIC COMMENT**

No comments.

**CLOSED SESSION**

As provided in the Ralph M. Brown Act, Government Code sections 54950 et seq., the Board may meet in closed session with members of its staff, county employees and its attorneys. These sessions are not open to the public and may not be attended by members of the public. The matters the Board will meet on in closed session are identified below. Any public reports of action taken in the closed session will be made in accordance with Government Code sections 54957.1.

**(1) DISCUSSION AND POSSIBLE ACTION REGARDING INVESTMENTS IN RECOMMENDED FUNDS, ROLL CALL VOTE REQUIRED.**

(Govt. Code § 54956.81)

1. Discussion and possible action to adopt the recommendation regarding Funds/Managers – Cliffwater.

**RETURN TO OPEN SESSION**

Report on any action taken in closed session.

1. Discussion and possible action to adopt the recommendation regarding Funds/Managers – Cliffwater.  
**In closed session, the MercedCERA Board unanimously voted via roll call vote on the following:**
  - To invest up to \$8 million in Carlyle Realty Partners IX, LP pending legal review of all fund documents.
  - To invest up to \$8 million in KKR Global Infrastructure Investors IV, LP pending legal review of all fund documents.Silveira/Ness U/A (8-0)

## **BOARD ACTION<sup>1</sup>/DISCUSSION**

Pursuant to Govt. Code § 31594 and MercedCERA's Investment Objectives & Policy Statement due diligence analysis requirement:

1. Discussion and possible action on quarterly performance and any managers and/or funds – Cliffwater.  
**No action taken.**
2. Discussion and possible action regarding March monthly performance and any managers and/or funds – Meketa Group.  
**No action taken.**
3. Presentation of '2021 Capital Markets Assumptions' for Meketa – Meketa Group.  
**No action taken.**
4. Discussion and possible action to adopt new Superior Courts of Merced County Pay Code 'SPS' used for COVID Supplemental Paid Sick Leave as a pensionable pay code – Staff.  
**The MercedCERA Board voted unanimously via roll call vote to adopt the new Superior Courts of Merced County Pay Code of 'SPS' used for COVID Supplemental Paid Sick Leave as a pensionable pay code.**  
**Adams/Johnston U/A (8-0)**
5. Review calendar of any training sessions and authorize expenditures for Trustees and Plan Administrator. Pursuant to Govt. Code § 31522.8 and MercedCERA's Trustees Education and Training Policy requirements. Examples of upcoming training and educational sessions:
  - SACRS Spring Conference, May 11-14, 2021 (virtual conference).
  - CALAPRS Trustee Roundtable, May 10, 2021 (virtual conference).
  - CALAPRS Advanced Principles of Pension Governance for Trustees, June 7, 9, 11, 2021.
  - SACRS/UC Berkeley Public Pension Investment Management Program, July 13-22, 2021 (virtual conference).
  - SACRS Fall Conference, November 9-12, 2021 (in person/virtual conference TBD).

**The MercedCERA Board voted unanimously via roll call vote to approve Trustee Harris' attendance to the SACRS/UC Berkeley Public Pension Investment Management Program and the SACRS Fall Conference.**  
**Johnston/Adams U/A (8-0)**

## **INFORMATION ONLY**

- **Silveira - Looking forward to June 15<sup>th</sup> to be able to meet in person.**
- **Adams - Have a wonderful day.**
- **Peterson - Wonderful day to all.**
- **Johnston - Agrees with Trustee Silveira.**
- **Plan Administrator - Welcomed Trustee Harris as our new Retiree Alternate Trustee and wanted to shout out Alexis Curry and Michelle Lee for all their hard work they do on behalf of MercedCERA for Administrative Professionals Day.**

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**ADJOURNMENT**

**The meeting adjourned at 9:43 A.M.**

Respectfully submitted,

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Ryan Paskin, Chair

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Al Peterson, Secretary

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Date

All supporting documentation is available for public review in the office of the Merced County Employees' Retirement Association, 3199 M Street, Merced, California, 95348 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday.

**The Agenda is available online at [www.co.merced.ca.us/retirement](http://www.co.merced.ca.us/retirement)**

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Non-Administrative Expenses		Original Projection	Current Projection	Expended 04/2021	Expended YTD	Bal Remaining	% Exp YTD
<b>21800 · Investment Expenses</b>		<b>3,500,000.00</b>	<b>3,500,000.00</b>	<b>462,640.52</b>	<b>1,844,987.94</b>	<b>1,655,012.06</b>	<b>53%</b>
04/01/2021	GSO EOF - Credit Facility Paydown			12,539.00			
04/01/2021	GSO EOF - 2020-Q4 Mgmt Fee			13,125.00			
04/01/2021	GSO EOF - Operating Fund Exps			6,408.00			
04/06/2021	Cliffwater - 2021-03 PE & HF Consulting			33,333.33			
04/07/2021	Meketa - 2021-Q1 Consult Serv			54,500.00			
04/14/2021	Driehaus - 2021-Q1 Mgt Fees			30,904.00			
04/14/2021	Taconic CRE II - 2020-Q3 - 2020-Q4 Mgt Fees			37,704.92			
04/19/2021	Mellon LC SIF - 2021-Q1 Mgt Fee			10,928.85			
04/19/2021	Mellon Dynamic - 2021-Q1 Mgt Fee			102,294.83			
04/19/2021	J & B Fencing - 3 Months of Temp Fencing Rental (Feb, Mar, Apr)			450.00			
04/20/2021	Barrow Hanley - 2021-Q2 Mgt Fees			60,044.00			
04/29/2021	UBS TPF - 2021-Q1 Mgt Fee			73,077.59			
04/30/2021	Acadian - 2020-Q1 Mgt Fees			27,331.00			
Total 21800 · Investment Expenses				<b>462,640.52</b>			
<b>21802 · Actuarial Services</b>		<b>150,000.00</b>	<b>150,000.00</b>	<b>11,770.00</b>	<b>91,508.25</b>	<b>58,491.75</b>	<b>61%</b>
04/22/2021	Cheiron - 2021-Q1 Actuarial Svcs			11,770.00			
Total 21802 · Actuarial Services				<b>11,770.00</b>			
<b>21812 · Data Processing</b>		<b>90,000.00</b>	<b>90,000.00</b>	<b>4,148.45</b>	<b>41,498.35</b>	<b>48,501.65</b>	<b>46%</b>
04/19/2021	Comcast - 2021-04 WiFi Chgs			251.44			
04/22/2021	2021-03 Cradlepoint Data Chgs			264.00			
04/23/2021	2021-03 IS Billing			3,633.01			
Total 21812 · Data Processing				<b>4,148.45</b>			
<b>21834 · Legal Services</b>		<b>325,000.00</b>	<b>325,000.00</b>	<b>35,991.60</b>	<b>269,862.00</b>	<b>55,138.00</b>	<b>83%</b>
04/13/2021	Ted Cabral - 2021-03 Administrative Matters			2,164.50			
04/13/2021	Ted Cabral - 2021-03 Disab Legal Svcs			1,074.00			
04/13/2021	Ted Cabral - 2021-03 Disab Legal Svcs			787.40			
04/13/2021	Ted Cabral - 2021-03 Disab Legal Svcs			110.00			
04/13/2021	Ted Cabral - 2021-03 Disab Legal Svcs			190.00			
04/13/2021	Ted Cabral - 2021-03 Disab Legal Svcs			556.45			
04/13/2021	Ted Cabral - 2021-03 Disab Legal Svcs			30.00			
04/13/2021	Ted Cabral - 2021-03 Disab Legal Svcs			20.00			
04/13/2021	Ted Cabral - 2021-03 Disab Legal Svcs			7,751.50			
04/15/2021	Ted Cabral - 2021-03 Disab Legal Svcs			130.00			
04/15/2021	Ted Cabral - 2021-03 Administrative Matters			20.00			
04/15/2021	Ted Cabral - 2021-03 Disab Legal Svcs			135.00			
04/15/2021	Ted Cabral - 2021-03 Disab Legal Svcs			3,912.50			
04/15/2021	Ted Cabral - 2021-03 Disab Legal Svcs			354.00			
04/15/2021	Ted Cabral - 2021-03 Disab Legal Svcs			148.00			
04/15/2021	2021-04 Cost Allocation - County Counsel			7,703.25			
04/27/2021	Nossaman - 2021-03 - Litigation re AB 197			10,024.50			
04/27/2021	Nossaman - 2021-03 - Gen Adv & Couns			880.50			
Total 21834 · Legal Services				<b>35,991.60</b>			

Merced County Employees' Retirement Association  
 Non-Administrative Expenditures Report (Preliminary)  
 For the Month Ended April 30, 2021

Non-Administrative Expenses		Original Projection	Current Projection	Expended 04/2021	Expended YTD	Bal Remaining	% Exp YTD
<b>21840 - Custodial Banking Services</b>		<b>135,000.00</b>	<b>135,000.00</b>	<b>26,136.92</b>	<b>85,313.96</b>	<b>49,686.04</b>	<b>63%</b>
04/06/2021	2021-03 NT STIF Income - Custodial Fee			819.57			
04/07/2021	2021-03 Wire Fees			165.00			
04/26/2021	Citigroup - Class Action Proceeds - Net			27.35			
04/30/2021	Northern Trust - 2021-Q1 Custody Fees			25,125.00			
Total 21840 - Custodial Banking Services				<u>26,136.92</u>			
<b>22350 - Software and Technology</b>		<b>505,000.00</b>	<b>505,000.00</b>	<b>7,344.99</b>	<b>365,687.50</b>	<b>139,312.50</b>	<b>72%</b>
04/15/2021	Spriggs - 2021-Q2 - Bizhub Base Charge			965.29			
04/19/2021	LexisNexis - 2021-04 Chgs			272.70			
04/20/2021	CPAS - 2021-05 Hosting			6,107.00			
Total 22350 - Software and Technology				<u>7,344.99</u>			
<b>Depreciation Expense</b>		<b>250,000.00</b>	<b>250,000.00</b>	<b>-</b>	<b>4,719.42</b>	<b>245,280.58</b>	
<b>Total Non-Administrative Items</b>		<b>4,955,000.00</b>	<b>4,955,000.00</b>	<b>548,032.48</b>	<b>2,703,577.42</b>	<b>2,251,422.58</b>	<b>55%</b>



**Merced County Employees' Retirement Association**  
**Non-Administrative Expenses Prev Year Comparison (Preliminary)**  
**04/30/2021**

Expense	<u>April 21</u>	<u>April 20</u>	<u>\$ Change</u>	<u>% Change</u>
<b>62025 · Non-Administrative Expenses</b>				
<b>21800 · Investment Expenses</b>	\$ 462,640.52	\$ 342,263.95	\$ 120,376.57	35.17%
<b>21802 · Actuarial Services</b>	11,770.00	22,327.50	(10,557.50)	-47.29%
<b>21812 · Data Processing</b>	4,148.45	5,074.95	(926.50)	-18.26%
<b>21834 · Legal Services</b>	35,991.60	26,779.70	9,211.90	34.40%
<b>21840 · Custodial Banking Services</b>	26,136.92	2,293.67	23,843.25	1039.52%
<b>22350 · Software and Technology</b>	7,344.99	1,320.26	6,024.73	456.33%
<b>Total 62025 · Non-Administrative Expenses</b>	<u>\$ 548,032.48</u>	<u>\$ 400,060.03</u>	<u>\$ 147,972.45</u>	36.99%

Merced County Employees' Retirement Association  
 Capital Asset Expenditures Report (Preliminary)  
 For the Month Ended April 30, 2021

Capital Assets Expenditures	Adopted	Current Budget	Expended 04/2021	Expended YTD	Bal Remaining	% Exp YTD
<b>86261 - Copier/Printer Lease Buyout</b>	<b>7,500.00</b>	<b>7,500.00</b>		<b>6,537.11</b>	<b>962.89</b>	<b>87%</b>
Total 86261 - Copier/Printer Lease Buyout			-			
<b>86337 - HVAC Repair and Maintenance</b>	<b>50,000.00</b>	<b>50,000.00</b>	<b>19,760.00</b>	<b>19,760.00</b>	<b>30,240.00</b>	<b>40%</b>
4/8/2021 Modern Air - Supply & Install New HVAC Unit			14,960.00			
4/8/2021 Modern Air - Remove & Replace Duct Work			4,800.00			
Total No Acct# - HVAC Repair and Maintenance			<b>19,760.00</b>			
<b>Total Capital Assets Expenditures</b>	<b>57,500.00</b>	<b>57,500.00</b>	<b>19,760.00</b>	<b>26,297.11</b>	<b>31,202.89</b>	<b>46%</b>

Merced County Employees' Retirement Association  
Administrative Expenditures Report (Preliminary)  
For the Month Ended April 30, 2021

Administrative Budget		Adopted	Current Budget	Expended 04/2021	Expended YTD	Bal Remaining	% Exp YTD
<b>10110 · Salaries &amp; Wages</b>		<b>1,305,000.00</b>	<b>1,305,000.00</b>	<b>135,711.52</b>	<b>943,800.51</b>	<b>361,199.49</b>	<b>72%</b>
04/02/2021	Office Payroll - 2021 PP 07			44,839.91			
04/16/2021	Office Payroll - 2021 PP 08			44,839.91			
04/30/2021	Office Payroll - 2021 PP 09			46,031.70			
Total 10110 · Salaries & Wages				<b>135,711.52</b>			
<b>20600 · Communications</b>		<b>4,500.00</b>	<b>4,500.00</b>	<b>515.51</b>	<b>3,854.30</b>	<b>645.70</b>	<b>86%</b>
04/06/2021	AT&T - 2021-03 Comm Chgs			147.17			
04/22/2021	2021-03 Cell Phone Chgs			132.00			
04/22/2021	2021-03 Comm Chgs			236.34			
Total 20600 · Communications				<b>515.51</b>			
<b>20900 · Household Expense</b>		<b>12,500.00</b>	<b>12,500.00</b>	<b>134.38</b>	<b>6,928.98</b>	<b>5,571.02</b>	<b>55%</b>
04/12/2021	Bob's Pest Control - 2021-03 Svcs			40.00			
04/20/2021	ADT- 2021-05 Security Svcs			94.38			
Total 20900 · Household Expense				<b>134.38</b>			
<b>21000 · Insurance - Other</b>		<b>85,000.00</b>	<b>85,000.00</b>	<b>-</b>	<b>80,339.00</b>	<b>4,661.00</b>	<b>95%</b>
Total 21000 · Insurance - Other				<b>-</b>			
<b>21301 · Maintenance Structure Improvement</b>		<b>20,900.00</b>	<b>20,900.00</b>	<b>1,547.41</b>	<b>6,771.58</b>	<b>14,128.42</b>	<b>32%</b>
04/07/2021	Modern Air - Coolling Maint & Belt Replacement			680.00			
04/09/2021	2021-02 DPW Charges			332.41			
04/19/2021	Aire Serv - 3 Unit Heating Tune-Up			210.00			
04/27/2021	Yard Masters - 2021-04 Landscape Maint			325.00			
Total 21301 · Maintenance Structure Improvement				<b>1,547.41</b>			
<b>21500 · Membership</b>		<b>7,500.00</b>	<b>7,500.00</b>	<b>1,000.00</b>	<b>5,870.00</b>	<b>1,630.00</b>	<b>78%</b>
04/09/2021	CALAPRS - Membership Renewal			1,000.00			
Total 21500 · Membership				<b>1,000.00</b>			
<b>21700 · Office Expense - General</b>		<b>18,000.00</b>	<b>28,000.00</b>	<b>730.15</b>	<b>25,949.58</b>	<b>2,050.42</b>	<b>93%</b>
04/06/2021	First Choice - 2021-03 Water Cooler Rental			7.00			
04/26/2021	2021-03 Stores Billing			714.10			
04/27/2021	First Choice - 2021-04 Bottles			9.05			
Total 21700 · Office Expense - General				<b>730.15</b>			

Merced County Employees' Retirement Association  
Administrative Expenditures Report (Preliminary)  
For the Month Ended April 30, 2021

Administrative Budget		Adopted	Current Budget	Expended 04/2021	Expended YTD	Bal Remaining	% Exp YTD
<b>21710 · Office Expense - Postage</b>		<b>15,750.00</b>	<b>15,750.00</b>	<b>1,325.01</b>	<b>12,851.97</b>	<b>2,898.03</b>	<b>82%</b>
04/23/2021	2021-03 IS Postage Chgs			1,019.41			
04/26/2021	2021-03 Mailroom Chgs			305.60			
Total 21710 · Office Expense - Postage				<u>1,325.01</u>			
<b>21805 · Audits</b>		<b>60,000.00</b>	<b>60,000.00</b>	<b>8,107.00</b>	<b>57,041.07</b>	<b>2,958.93</b>	<b>95%</b>
04/27/2021	MGO - Consulting Srvc Thru 03/31/2021			8,107.00			
Total 21805 · Audits				<u>8,107.00</u>			
<b>21808 · Board Membership</b>		<b>18,000.00</b>	<b>18,000.00</b>	<b>800.00</b>	<b>8,000.00</b>	<b>10,000.00</b>	<b>0%</b>
04/19/2021	2021-03 Bd Mtgs			200.00			
04/19/2021	2021-03 Bd Mtgs			200.00			
04/19/2021	2021-03 Bd Mtgs			200.00			
04/19/2021	2021-03 Bd Mtgs			200.00			
Total 21808 · Board Membership				<u>800.00</u>			
<b>21811 · Court Reporters</b>		<b>2,000.00</b>	<b>2,000.00</b>	<b>-</b>	<b>-</b>	<b>2,000.00</b>	<b>0%</b>
Total 21811 · Court Reporters				<u>-</u>			
<b>21816 · Medical Services</b>		<b>80,000.00</b>	<b>69,000.00</b>	<b>-</b>	<b>15.00</b>	<b>68,985.00</b>	<b>0%</b>
Total 21816 · Medical Services				<u>-</u>			
<b>21872 · Investigations</b>		<b>1,000.00</b>	<b>1,000.00</b>	<b>-</b>	<b>-</b>	<b>1,000.00</b>	<b>0%</b>
Total 21872 · Investigations				<u>-</u>			
<b>21900 · Publications &amp; Legal Notices</b>		<b>4,500.00</b>	<b>4,500.00</b>	<b>-</b>	<b>3,321.25</b>	<b>1,178.75</b>	<b>74%</b>
Total 21900 · Publications & Legal Notices				<u>-</u>			
<b>22300 · Spec Dept Exp - Other</b>		<b>500.00</b>	<b>500.00</b>	<b>-</b>	<b>6.14</b>	<b>493.86</b>	<b>1%</b>
Total 22300 · Spec Dept Exp - Other				<u>-</u>			

Merced County Employees' Retirement Association  
Administrative Expenditures Report (Preliminary)  
For the Month Ended April 30, 2021

Administrative Budget	Adopted	Current Budget	Expended 04/2021	Expended YTD	Bal Remaining	% Exp YTD
<b>22310 · Election Expense</b>	<b>10,000.00</b>	<b>21,000.00</b>	<b>12,254.69</b>	<b>20,938.65</b>	<b>61.35</b>	<b>100%</b>
04/15/2021 2021-03 Election Costs			12,254.69			
Total 22310 · Election Expense			<u>12,254.69</u>			
<b>22327 · Spec Dept Exp - Cost Allocation</b>	<b>43,005.00</b>	<b>43,005.00</b>	<b>3,002.17</b>	<b>30,185.70</b>	<b>12,819.30</b>	<b>70%</b>
04/15/2021 2021-04 Cost Allocation			3,002.17			
Total 22327 · Spec Dept Exp - Cost Allocation			<u>3,002.17</u>			
<b>22500 · Transportation &amp; Travel</b>	<b>400.00</b>	<b>400.00</b>	<b>-</b>	<b>61.67</b>	<b>338.33</b>	<b>15%</b>
Total 22500 · Transportation & Travel			<u>-</u>			
<b>22505 · Trans &amp; Travel - Staff Development</b>	<b>7,500.00</b>	<b>7,500.00</b>	<b>80.00</b>	<b>80.00</b>	<b>7,420.00</b>	<b>1%</b>
04/12/2021 Secretary of State - Notary Exam Fee			40.00			
04/12/2021 Secretary of State - Notary Exam Fee			40.00			
Total 22505 · Trans & Travel - Staff Development			<u>80.00</u>			
<b>22515 · Trans &amp; Travel - In State</b>	<b>50,000.00</b>	<b>40,000.00</b>	<b>517.32</b>	<b>1,987.32</b>	<b>38,012.68</b>	<b>5%</b>
04/22/2021 SACRS - Spring 2021 Conference			120.00			
04/26/2021 CALAPRS - Virtual Trustees' Round Table Ticket - 05/10/21			50.00			
04/27/2021 Notary Exam Travel Reimbursement			131.68			
04/27/2021 Notary Exam Travel Reimbursement			215.64			
Total 22515 · Trans & Travel - In State			<u>517.32</u>			
<b>22516 · Trans &amp; Travel - Out of State</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>-</b>	<b>-</b>	<b>10,000.00</b>	<b>0%</b>
Total 22516 · Trans & Travel - Out of State			<u>-</u>			
<b>22600 · Utilities</b>	<b>15,000.00</b>	<b>15,000.00</b>	<b>1,187.90</b>	<b>13,477.00</b>	<b>9,913.67</b>	<b>90%</b>
04/06/2021 PG&E - 2021-03 Svcs			745.70			
04/12/2021 City of Merced - 2021-03 WS&G			442.20			
Total 22600 · Utilities			<u>1,187.90</u>			
<b>Depreciation Expense</b>	<b>23,000.00</b>	<b>23,000.00</b>	<b>-</b>	<b>-</b>	<b>23,000.00</b>	
<b>Total Administrative Budget</b>	<b><u>1,794,055.00</u></b>	<b><u>1,794,055.00</u></b>	<b><u>166,913.06</u></b>	<b><u>1,221,479.72</u></b>	<b><u>572,575.28</u></b>	<b>68%</b>



April 1, 2021

TO: State Association of County Retirement Systems

FROM: Edelstein Gilbert Robson & Smith, LLC

RE: **Legislative Update – April 2021**

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Last year, Governor Newsom solemnly pronounced that after expecting record breaking surpluses in 2020, the state was facing a \$54 billion deficit. That number was daunting, and comparable to the budget shortfalls experienced at the onset of the Great Recession. That massive deficit never materialized. The Governor and his Department of Finance (DOF) didn't lie or mislead. The nonpartisan and respected Legislative Analyst's Office (LAO) also projected large and growing deficits as a result of the pandemic.

The projections were wrong for two reasons. First, with tax filing deadlines extended, both DOF and the LAO were flying blind without a reliable estimate of how much revenue the state would take in. Last year's budget was adopted before the Governor and the Legislature had the benefit of those estimates.

Secondly, the economic downturn was lopsided, disproportionately impacting low-income Californians forced to leave work during the pandemic. Wealthy Californians largely continued to prosper while stock markets rebounded despite rapid and precipitous falls at the outset of the pandemic. California's tax code leans heavily on high-income residents. While that reliance devastated state revenues during the Great Recession, it has helped spare the state during the pandemic.

Since the projections were off, the 2020 Budget was more conservative than it needed to be. Consequently, Governor Newsom's 2021 Budget was built on a \$15.5 billion windfall surplus, and the good news keeps rolling in.

Last week, the Department of Finance reported that the state will receive another \$14.3 billion in unexpected surplus revenue. On top of that, \$150 billion is coming to California from the \$1.9 Trillion American Rescue Plan recently signed by President Biden. While most of this money will go directly to residents and local governments, \$26 billion will drop into California's budget. The money must be spent addressing public health issues or the economic fallout from the pandemic, pay for essential workers, backfilling lost tax revenue, or making investments in water, sewer, or broadband infrastructure.

We have a few observations.

### **That's not a lot of Strings**

The \$14.3 billion surplus is General Fund revenue which can be spent as the Legislature and Governor see fit. While the \$26 billion in federal aid comes with the restrictions mentioned above, they are not very limiting. The Governor and Legislature could argue that any number of spending proposals would mitigate the economic impact of the pandemic, for example. The state has until 2024 to spend the money, and lots of things to spend it on.

### **Lots of Money, Lots of People Want it**

\$40 billion in unexpected revenue is a lot. It's easy for lobbyists and their clients to start imagining how to spend it, which is exactly why it's not as much money as it seems. Even before it was clear exactly how much money California would receive from the Federal Government or how much surplus revenue it had to spend, billions of dollars of new spending proposals were floating around the Legislature.

There's a lot of need right now, and no shortage of stakeholders looking to use state revenue to meet it. The Legislature and the Governor will have to figure out which of these requests aligns with their own priorities.

### **It's Enough Money for the Legislature and Governor to Fight Over**

The Governor essentially ruled California via Executive Order and unilateral spending authority granted by the Legislature from March through June last year. While they allowed the situation to persist, it seems to have rubbed many legislators the wrong way. As we've reported previously, frustrated legislators largely won the debate over how to structure the 2020 budget. While they have questioned Governor Newsom on his handling of the pandemic, his handling of unemployment fraud, and his plans for school reopening, they have not truly challenged him since budget negotiations concluded in 2020.

The Legislature could choose to leverage the Governor on how to spend new revenue, but there's reason to think the Legislature will be even more accommodating than they were last year. While it's still not official, Governor Newsom will be facing a recall later this year. Despite their grievances, Democrats in the Legislature will want to defend the Democratic Governor from the Republican-backed recall effort. While there will be give and take over how to use the new money as always, it seems likely the Legislature will help the Governor with his major spending initiatives.

### **New Attorney General**

In December, we reported that the election of Vice President Kamala Harris created a game of political musical chairs when she vacated her US Senate seat. The issue of appointing her successor quickly became fraught with risk for Governor Newsom who was urged by advocates and legislators representing the state's African American, Latino, API, and LGBTQ Californians to appoint a Senator who can represent their communities.

The Governor handled the challenge. The appointment of former Secretary of State Alex Padilla as the first Latino Senator representing California created another vacancy. The Governor appointed Shirley Weber to replace them and serve as California's first African American Secretary of State. Last week, the Governor appointed Assemblymember Rob Bonta to replace Xavier Becerra as Attorney General. Mr. Bonta will be the first Filipino American to hold the position.



March 5, 2021

TO: SACRS Board of Directors

FROM: SACRS Legislative Committee

**RE: Sponsorship of SB 634 (Committee on Labor, Public Employment and Retirement)**

Similar to last year with AB 2101 (Committee on Public Employment and Retirement), the Legislative Committee is pursuing another omnibus bill to provide technical and clarifying changes to the CERL. You may recall that SACRS' cleanup changes were initially placed into SB 783, then ultimately amended into AB 2101, a bill sponsored by SACRS, CalPERS, and CalSTRS that provided noncontroversial changes to each entity's respective code sections.

This year, the Senate Committee on Labor, Public Employment and Retirement is authoring another omnibus bill for SACRS, CalPERS, and CalSTRS technical cleanup.

After fielding proposals from member systems and deliberating among the legislative committee, several minor cleanup proposals were selected to be amended into SB 634 at the start of the new legislative session.

These changes include clarifying that a Board of Retirement may contract with a private physician to provide medical advice as part of the board's duties related to processing disability claims, deleting an obsolete reference to procedures for purchasing additional service, changing incorrect code references, and fixing typos. Along with these changes, the Legislative Committee will continue to review noncontroversial proposals to be added into this vehicle in the coming months.

On a separate track, the Legislative Committee continues to review more substantive CERL amendments for consideration by the Board of Directors for the 2022 legislative session.

The SACRS Legislative Committee is requesting Board of Directors approval for SACRS to formally sponsor SB 634. Thank you for your consideration.

The bill language for SB 634 and a summary matrix of CERL provisions in SB 634 are attached.

## 2021 CERL Amendments

Sec	Gov Code	Topic	Issue/Justification
9 14	31530 31732	County Health Officer as Medical Advisor	Updates statutes to conform to existing practices in which many retirement systems currently use outside, independent medical advisors to evaluate disability claims. Amendments clarify that the county health officer, either directly or through a duly authorized representative, shall advise the board on medical matters. Also clarifies that the board may contract with a physician in private practice under its existing authority to secure the necessary medical service and advice in carrying out its adjudication of disability retirement applications.
10	31565.5	County Office of Education	Fixes incorrect cross references when the Education Code was restructured years ago.
11	31641.8	Service Purchase-Installment Payments	Deletes obsolete section. The payment terms related to pre-tax and after-tax contributions in conformity with federal tax law are generally specified in the contracts that members sign when they elect to make additional contributions.
12 13	31680.2 31680.3	Post-Retirement Employment	Fixes typo/missing words. Section 31680.2 provides that retired members may be reemployed without reinstatement to membership in a position requiring special skills or knowledge for a period of time not to exceed 90 working days or 720 hours in one fiscal year of any other 12-month period. Section 31680.3 provides that the period of time not exceed 120 working days or 960 hours. The current statutes are missing the phrase "a period of time," similar to sentence structure in Section 31680.6.
15	31781.2	Survivor benefits	Fixes typo. The word "the" is missing before "guardian."

**Introduced by Committee on Labor, Public Employment and Retirement (Senators Cortese (Chair), Durazo, Laird, Newman, and Ochoa Bogh)**

February 19, 2021

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An act to amend Sections 22011, 22802, 24204, and 26804 of the Education Code, and to amend Sections 20320, 20322, 20324, 31530, 31565.5, 31680.2, 31680.3, 31732, and 31781.2 of, to add Section 21499.1 to, and to repeal Section 31641.8 of, the Government Code, relating to retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 634, as introduced, Committee on Labor, Public Employment and Retirement. Public employees' retirement.

(1) Existing law, the Teachers' Retirement Law, establishes the State Teachers' Retirement System (STRS) and creates the Defined Benefit Program of the State Teachers' Retirement Plan, which provides a defined benefit to members of the program, based on final compensation, credited service, and age at retirement, subject to certain variations. STRS is administrated by the Teachers' Retirement Board. Existing law requires STRS to pay premiums associated with Medicare Part A for certain retired or disabled members, as specified. Existing law creates the Cash Balance Benefit Program, which is administered by the board, to provide a retirement plan for the benefit of participating employees who provide creditable service for less than 50% of full time.

Existing law applicable to the Defined Benefit Program, for applications and documents requiring a signature, requires that the signature be in a form prescribed by the system.

This bill would apply the above-described requirements regarding signed applications and documents to the Cash Balance Benefit Program and the requirement that STRS pay certain Medicare Part A premiums.

Existing law authorizes a member of STRS who is not retired and who was previously excluded from membership in the Defined Benefit Program request to purchase service credit in the program for certain types of other service. The bill would delete and obsolete cross-reference.

This bill would prohibit a member from purchasing service credit for any school year if the purchase would result in more than one year of service for that school year.

Existing law authorizes a member of STRS who files an application for service retirement to change or cancel their retirement application if specified requirements are met. In this regard, existing law requires a member to return the total gross distribution amount of all payments for any canceled retirement benefit, including a lump-sum payment, as specified.

This bill would extend the requirement to return total gross distribution amount, as described above, to apply to any canceled benefit.

(2) The Public Employees' Retirement Law (PERL) creates the Public Employees' Retirement System (PERS), which is administered by the Board of Administration of the Public Employees' Retirement System. PERL excludes specified appointees, elective officers, and legislative employees from membership in the system unless the person to whom these provisions apply elects to file with the board an election in writing to become a member.

This bill would prescribe the circumstances pursuant to which the start date would be determined for an appointee, elective officer, or legislative employee who elects to become a member of PERS. If the written election is received by the system within 90 days of the applicable appointment, current term, or start date for the position, the bill would require that the effective date be the start date of the appointment, the start date of the term, or the start date of the position. If the election is not received by the system within 90 days, as specified, the effective date would be the first day of the month in which the election is received by the system.

PERL prescribes the circumstances pursuant to which specified payments and benefits may be paid by PERS in connection with the death of a member, among others.

This bill would require that overpayments, issued after the date of death to a member, retired member, or beneficiary, made to or on behalf of any member, retired member, or beneficiary, as specified, be deducted from any subsequent payment or benefit that is payable by PERS as a result of the death.

(3) The County Employees Retirement Law of 1937 (CERL) authorizes counties to establish retirement systems pursuant to its provisions for the purpose of providing pension, disability, and death benefits to county and district employees. CERL vests management of the retirement systems created pursuant to its provisions in a board of retirement. CERL requires the county health officer to advise the board on medical matters and, if requested, attend its meetings.

This bill would authorize a county health officer's duly authorized representative to also advise the board of retirement with advice on medical matters.

CERL authorizes a member of a system established under its provision who ceases to be an employee of the county under certain provisions of the Education Code to elect to remain a member of the CERL system.

This bill would correct an obsolete cross-reference in this regard.

CERL provides benefits based upon service credit, defines service for this purpose, and authorizes a member to elect to receive service credit for other forms of public service, as defined, by making contributions. CERL authorizes a member who has elected to make contributions to receive service credit to complete payment, at any time prior to the effective date of the member's retirement, by a lump sum.

This bill would repeal the above-described authority of a member to complete a payment by lump sum.

CERL requires a board of retirement to secure medical, investigatory, and other service and advice as is necessary for the purpose of administering provisions relating to disability retirement.

This bill would authorize the board to contract with a physician in private practice for the medical advice necessary to carry out the purpose of provisions relating to disability retirement.

This bill would make various technical and stylistic changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 22011 of the Education Code is amended  
2 to read:

3 22011. For an application or document requiring a signature,  
4 that signature shall be in a form prescribed by the system,  
5 including, but not limited to, on paper or made by electronic means.  
6 Notwithstanding any other law, an application or document made  
7 under this ~~part part~~, *Part 13.5 (commencing with Section 25900)*,  
8 *or Part 14 (commencing with Section 26000)* that is signed and  
9 submitted by the person authorized to do so using technology and  
10 security measures prescribed by the system shall be deemed to be  
11 a signed and valid original document.

12 SEC. 2. Section 22802 of the Education Code is amended to  
13 read:

14 22802. (a) A member, other than a retired member, who was  
15 previously excluded from membership in the Defined Benefit  
16 Program may request to purchase service credit for:

- 17 (1) Service as a substitute excluded under Section 22602.
- 18 (2) Creditable service subject to coverage under the Cash  
19 Balance Benefit ~~Program, excluding service credited pursuant to~~  
20 ~~Section 26402, Program~~ if the member is currently contributing  
21 to the Defined Benefit Program and has terminated all service  
22 subject to coverage under the Cash Balance Benefit Program. Upon  
23 requesting to purchase service credit under this paragraph, the  
24 member shall cease to be eligible for a benefit for the same service  
25 or time previously credited under the Cash Balance Benefit  
26 Program pursuant to Part 14 (commencing with Section 26000).
- 27 (3) Service performed on a part-time basis excluded under  
28 Section 22601.5 or Section 22604, other than service credited  
29 under paragraph (2).
- 30 (4) Adult education service excluded under Section 22603, as  
31 it read on December 31, 1995.
- 32 (5) Service as a school nurse excluded under Section 22606, as  
33 it read on December 31, 1995.
- 34 (6) Service performed in a position prior to the date the position  
35 was made subject to coverage under the Defined Benefit Program.
- 36 (7) Service subject to coverage under the Defined Benefit  
37 Program performed while a member of another California public  
38 retirement system, provided the member has ceased to be a member

1 of, and has ceased to be entitled to benefits from, the other  
2 retirement system. The member shall not receive credit for the  
3 service if the member may redeposit withdrawn contributions and  
4 subsequently be eligible for any benefits based upon the same  
5 service or based upon other full-time service performed during the  
6 same period, from another California public retirement system.

7 (b) A member who requests to purchase service credit under  
8 this part for service performed while excluded from membership  
9 under the Defined Benefit Program shall pay all of the required  
10 contributions for all or the portion of that service for which the  
11 member requests to purchase service credit.

12 (c) A member ~~may~~ shall not request to purchase service credit  
13 for service or time described in paragraphs (1) and (3) to (7),  
14 inclusive, of subdivision (a) if, after the request, the member would  
15 continue to receive credit for the same service or time in the Cash  
16 Balance Benefit Program under Part 14 (commencing with Section  
17 26000) or another public retirement system.

18 (d) *A member shall not purchase service credit for any school*  
19 *year if the purchase would result in more than one year of service*  
20 *for that school year.*

21 SEC. 3. Section 24204 of the Education Code is amended to  
22 read:

23 24204. (a) A service retirement allowance under this part shall  
24 become effective upon any date designated by the member,  
25 provided all of the following conditions are met:

26 (1) An application for service retirement allowance is filed on  
27 a form provided by the system, which is executed no earlier than  
28 six months before the effective date of retirement allowance.

29 (2) The effective date is later than the last day the member  
30 earned creditable compensation pursuant to Section 22119.2 or  
31 22119.3.

32 (3) The effective date is no earlier than one day after the date  
33 on which the retirement allowance was terminated under Section  
34 24208.

35 (4) The effective date is no earlier than one year following the  
36 date on which the retirement allowance was terminated under  
37 subdivision (a) of Section 24117.

38 (5) The effective date is no earlier than the date upon and  
39 continuously after which the member is determined to the  
40 satisfaction of the board to have been mentally incompetent.

1 (6) The effective date is no earlier than one day after the date  
2 upon which the member completes payment of a service credit  
3 purchase pursuant to Section 22801, 22820, or 22826, or payment  
4 of a redeposit of contributions pursuant to Section 23200, except  
5 as provided in Section 22801 or 22829.

6 (b) A member who files an application for service retirement  
7 may change or cancel their retirement application if all of the  
8 following are met:

9 (1) The form provided by the system is received in the system's  
10 headquarters office no later than 30 days from the date the  
11 member's initial benefit payment for the member's most recent  
12 retirement under the Defined Benefit Program is paid by the  
13 system.

14 (2) The member returns the total gross distribution amount of  
15 all payments for any canceled ~~retirement~~ benefit, including a  
16 lump-sum payment being changed to an annuity, to the system's  
17 headquarters office no later than 45 days from the date of the  
18 member's initial benefit payment. The member shall be liable for  
19 any adverse tax consequences that may result from these actions.

20 (c) The retirement date of a member who files an application  
21 for retirement pursuant to Section 24201 on or after January 1,  
22 2012, shall be no earlier than January 1, 2012.

23 (d) Nothing in this section shall be construed to allow a member  
24 to receive more than one type of retirement or disability allowance  
25 for the same period of time by virtue of the member's own  
26 membership.

27 SEC. 4. Section 26804 of the Education Code is amended to  
28 read:

29 26804. Application for a retirement benefit under this part shall  
30 be made on a form prescribed by the system. A participant who  
31 files an application for a retirement benefit may change or cancel  
32 the retirement application if all of the following are met:

33 (a) The form provided by the system is received in the system's  
34 headquarters office no later than 30 days from the date of the  
35 ~~member's~~ *participant's* initial benefit payment.

36 (b) The participant returns the total gross distribution amount  
37 *of all payments* for any canceled retirement benefit, including a  
38 lump-sum payment being changed to an annuity, to the system's  
39 headquarters office no later than 45 days from the date of the  
40 ~~participants's~~ *participant's* initial benefit payment. The participant



1 shall be liable for any adverse tax consequences that may result  
2 from these actions.

3 SEC. 5. Section 20320 of the Government Code is amended  
4 to read:

5 20320. (a) A person directly appointed by the Governor,  
6 without the nomination of any officer or board, or directly  
7 appointed by the Attorney General, Lieutenant Governor,  
8 Controller, Secretary of State, Treasurer, or Superintendent of  
9 Public Instruction exempt from civil service under Article VII of  
10 the California Constitution, except those appointed pursuant to  
11 subdivision (i) of Section 4 thereof, is excluded from membership  
12 in this system unless ~~he or she~~ *the person* files with the board an  
13 election in writing to become a member. *The election effective*  
14 *date shall be the start date of the current appointment, provided*  
15 *the election is received by this system within 90 days of the*  
16 *applicable start date. If the election is not received by this system*  
17 *within 90 days from the start date, the effective date shall be the*  
18 *first day of the month in which the election is received by this*  
19 *system.*

20 (b) Upon electing to become a member, the person may further  
21 elect at any time prior to retirement to receive service credit for  
22 ~~his or her~~ *their* prior, excluded state service by making the  
23 contributions as specified in Sections 21050 and 21051.

24 SEC. 6. Section 20322 of the Government Code is amended  
25 to read:

26 20322. (a) An elective officer is excluded from membership  
27 in this system unless the officer files with the board an election in  
28 writing to become a member. *The election effective date shall be*  
29 *the start date of the current term, provided the election is received*  
30 *by this system within 90 days of the applicable start date. If the*  
31 *election is not received by this system within 90 days from the start*  
32 *date, the effective date shall be the first day of the month in which*  
33 *the election is received by this system.* Upon electing to become a  
34 member, the officer may further elect at any time prior to retirement  
35 to receive service credit for ~~his or her~~ *their* prior, excluded service  
36 by making the contributions as specified in Sections 21050 and  
37 21051.

38 (b) As used in this part, “elective officer” includes any officer  
39 of the Senate or Assembly who is elected by vote of the members  
40 of either or both of the houses of the Legislature, and any

1 appointive officer of a city or county occupying a fixed term of  
2 office, as well as officers of the state or contracting agencies elected  
3 by the people, and persons elected to a city council or a county  
4 board of supervisors.

5 (c) Notwithstanding any other provision of subdivision (a) or  
6 (b), elected or appointed officers of a county superintendent of  
7 schools, school district, or community college district, or of a  
8 contracting agency, who serve on public commissions, boards,  
9 councils, or similar legislative or administrative bodies are  
10 excluded from membership in this system. This exclusion shall  
11 only apply to those elected or appointed officers, other than city  
12 or county officers, who are first elected or appointed to an office  
13 on or after July 1, 1994, or who are elected or appointed to a term  
14 of office not consecutive with the term of office held on June 30,  
15 1994. For city or county elected or appointed officers, this  
16 exclusion shall only apply to those officers who are first elected  
17 or appointed to an office on or after January 1, 1997, or who are  
18 elected or appointed to a term of office not consecutive with the  
19 term of office held on December 31, 1996. This exclusion shall  
20 not apply to persons elected to a city council or county board of  
21 supervisors.

22 (d) Any person holding the office of city attorney or the office  
23 of assistant city attorney, whether employed, appointed, or elected,  
24 is excluded from the definition of “elective officer” as defined in  
25 subdivision (b). This subdivision shall apply only to persons first  
26 employed, elected, or appointed on or after July 1, 1994, or  
27 following any break in state service while serving in the office if  
28 the office was held on June 30, 1994.

29 (e) In accordance with Section 20125, the board shall be the  
30 sole judge of which elected or appointed positions qualify the  
31 incumbent as an “elective officer” in this system under this section.

32 (f) Notwithstanding any other provision of law, with respect to  
33 elective officers of contracting agencies, payment by a contracting  
34 agency of employer contributions and any other amounts for  
35 employer paid benefits under this system shall not be construed  
36 as receipt of salary or compensation by the elective officer for  
37 purposes of any statutory salary or compensation limitation.

38 SEC. 7. Section 20324 of the Government Code is amended  
39 to read:

1 20324. (a) An employee of the Senate or the Assembly, or the  
2 respective committees thereof, whose salaries or wages are paid  
3 from the Senate Operating Fund or the Assembly Operating Fund  
4 or the Operating Funds of the Assembly and Senate, shall be  
5 deemed a “legislative employee.” A legislative employee is  
6 excluded from membership in this system unless ~~he or she~~ *the*  
7 *person* files with the board an election in writing to become a  
8 member. *The election effective date shall be the start date of the*  
9 *current position, provided the election is received by this system*  
10 *within 90 days of the applicable start date. If the election is not*  
11 *received by this system within 90 days from the start date, the*  
12 *effective date shall be the first day of the month in which the*  
13 *election is received by this system.* The election shall not be  
14 required of a legislative employee who was a member of this  
15 system on October 1, 1963.

16 (b) Upon electing to become a member, a legislative employee  
17 may further elect at any time prior to retirement to receive service  
18 credit for ~~his or her~~ *their* prior, excluded legislative service and  
19 ~~he or she~~ *the legislative employee* shall have the option as to how  
20 much of that prior legislative service is to be credited. The  
21 legislative employee shall make contributions to this system as  
22 specified in Sections 21050 and 21051 for the previous service as  
23 a legislative employee for which ~~he or she~~ *desires they desire* to  
24 receive service credit.

25 SEC. 8. Section 21499.1 is added to the Government Code, to  
26 read:

27 21499.1. Any overpayment, issued after the date of death to a  
28 member, retired member, or beneficiary, made to or on behalf of  
29 any member, retired member, or beneficiary, including, but not  
30 limited to, contributions, interest, retirement allowance, payments  
31 of any kind, or federal or state tax, shall be deducted from any  
32 subsequent payment or benefit that is payable by this system as a  
33 result of the death.

34 SEC. 9. Section 31530 of the Government Code is amended  
35 to read:

36 31530. The county health ~~officer~~ *officer, either directly or*  
37 *through a duly authorized representative*, shall advise the board  
38 on medical matters and, if requested by the board, shall attend its  
39 meetings.

1 SEC. 10. Section 31565.5 of the Government Code is amended  
2 to read:

3 31565.5. Any member of a system established under this  
4 chapter who ceases to be an employee of the county under the  
5 provisions of ~~Education Code Section 873~~ *Section 1312 of the*  
6 *Education Code* may elect as authorized in ~~Education Code Section~~  
7 ~~873.1~~ *Section 1313 of the Education Code* to remain a member of  
8 such system.

9 SEC. 11. Section 31641.8 of the Government Code is repealed.

10 ~~31641.8. Any member who has elected to make contributions~~  
11 ~~pursuant to this chapter by installment payments may, at any time~~  
12 ~~prior to the effective date of his retirement, complete payment~~  
13 ~~thereof by lump sum.~~

14 SEC. 12. Section 31680.2 of the Government Code is amended  
15 to read:

16 31680.2. (a) Any person who has retired may be employed in  
17 a position requiring special skills or knowledge, as determined by  
18 the county or district employing ~~him or her, for them,~~ *for a period*  
19 *of time* not to exceed 90 working days or 720 hours, whichever is  
20 greater, in any one fiscal year or any other 12-month period  
21 designated by the board of supervisors and may be paid for that  
22 employment. That employment shall not operate to reinstate the  
23 person as a member of this system or to terminate or suspend ~~his~~  
24 ~~or her~~ *their* retirement allowance, and no deductions shall be made  
25 from ~~his or her~~ *their* salary as contributions to this system.

26 (b) (1) This section shall not apply to any retired person who  
27 is otherwise eligible for employment under this section if, during  
28 the 12-month period prior to an appointment described in this  
29 section, that retired person receives unemployment insurance  
30 compensation arising out of prior employment subject to this  
31 section with the same employer.

32 (2) A retired person who accepts an appointment after receiving  
33 unemployment insurance compensation as described in this  
34 subdivision shall terminate that employment on the last day of the  
35 current pay period and shall not be eligible for reappointment  
36 subject to this section for a period of 12 months following the last  
37 day of employment.

38 (3) Beginning January 1, 2013, if any provision of this section  
39 conflicts with the California Public Employees' Pension Reform  
40 Act of 2013, the provisions of that act shall prevail, except that

1 the limit on postretirement employment provided in subdivision  
2 (a) to the greater of 90 working days or 720 hours shall remain  
3 effective.

4 SEC. 13. Section 31680.3 of the Government Code is amended  
5 to read:

6 31680.3. (a) Notwithstanding Section 31680.2, any member  
7 who has been covered under the provisions of Section 31751 and  
8 has retired may be reemployed in a position requiring special skills  
9 or knowledge, as determined by the county or district employing  
10 the member, for *a period of time* not to exceed 120 working days  
11 or 960 hours, whichever is greater, in any one fiscal year and may  
12 be paid for that employment. That employment shall not operate  
13 to reinstate the person as a member of this system or to terminate  
14 or suspend the person's retirement allowance, and no deductions  
15 shall be made from the person's salary as contributions to this  
16 system.

17 (b) (1) This section shall not apply to any retired member who  
18 is otherwise eligible for reemployment under this section if, during  
19 the 12-month period prior to an appointment described in this  
20 section, that retired person receives unemployment insurance  
21 compensation arising out of prior employment subject to this  
22 section with the same employer.

23 (2) A retired person who accepts an appointment after receiving  
24 unemployment insurance compensation as described in this  
25 subdivision shall terminate that employment on the last day of the  
26 current pay period and shall not be eligible for reappointment  
27 subject to this section for a period of 12 months following the last  
28 day of employment.

29 (c) Beginning January 1, 2013, if any provision of this section  
30 conflicts with the California Public Employees' Pension Reform  
31 Act of 2013, the provisions of that act shall prevail.

32 SEC. 14. Section 31732 of the Government Code is amended  
33 to read:

34 31732. The board shall secure such medical, investigatory and  
35 other service and advice as is necessary to carry out the purpose  
36 of this article. Notwithstanding Section 31529, the board may  
37 contract with an attorney in private practice for the legal services  
38 and advice necessary to carry out the purpose of this article.  
39 *Notwithstanding Section 31530, the board may contract with a*  
40 *physician in private practice for the medical advice necessary to*

1 *carry out the purpose of this article.* It shall pay for such services  
2 and advice such compensation as it deems reasonable.

3 SEC. 15. Section 31781.2 of the Government Code is amended  
4 to read:

5 31781.2. In lieu of accepting in cash the death benefit payable  
6 under Section 31781 or 31781.01, the surviving spouse of a  
7 member who dies prior to reaching the minimum retirement age  
8 and who at the date of the member's death has 10 or more years  
9 of service to the member's credit, shall have the option to leave  
10 the amount of the death benefit on deposit in the retirement system  
11 until the earliest date when the deceased member could have retired  
12 had the member lived, and at that time receive the retirement  
13 allowance provided for in Section 31765, 31765.1, or 31765.11,  
14 whichever is applicable.

15 If, at the death of the spouse, the spouse is survived by one or  
16 more unmarried children of the member, under the age of 18 years,  
17 the retirement allowance shall continue to the child or children,  
18 collectively, until every child dies, marries, or attains the age of  
19 18 years. If the spouse dies, either before or after the death of the  
20 member, without either making the election or receiving any  
21 portion of the death benefit, and no part of the death benefit had  
22 been paid to any person, prior to the payment of any benefits, the  
23 legally appointed guardian of the children shall make the election  
24 herein provided for on behalf of the surviving children as, in *the*  
25 guardian's judgment, may appear to be in their interest and  
26 advantage, and the election so made shall be binding and  
27 conclusive upon all parties in interest.

28 Notwithstanding any other provisions of this section, the benefits  
29 otherwise payable to the children of the member shall be paid to  
30 those children up to the 22nd birthdays of the children if the  
31 children remain unmarried and are regularly enrolled as full-time  
32 students in an accredited school as determined by the board.



May 6, 2021

TO: State Association of County Retirement Systems  
FROM: Edelstein Gilbert Robson & Smith, LLC  
RE: **Legislative Update – May 6, 2021**

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April 30 marked the first significant legislative deadline of the 2021 legislative session whereby bills had to pass out of policy committees in the house of origin before being considered by the fiscal committee. This session, consistent with recent years, we have seen a plethora of employment-related legislation that would impose various requirements on all California employers, public and private. With the pandemic, bills of this nature have increased, with legislators proposing expansion of leave offered to employees and additional services, benefits and workplace protections under the umbrella of COVID-19 response.

With the Legislature and legislative committees dominated by labor union-friendly Democrats, many of these bills have easily passed the first policy committee on party line votes.

The following is an update on some of the major employment bills after the first four months of the legislative session. The report also includes an update on the various public meeting bills that have been introduced this session in response to the COVID-19 pandemic.

### **Employment Bills**

**AB 95 (Low) - Unpaid Bereavement Leave.** This bill would require employers with 25 or more employees to allow employees to take up to ten days of unpaid bereavement leave for the death of a family member. For employers with less than 25 employees, the employer is required to grant up to three days of bereavement leave for this purpose.

This is a reintroduced version of AB 2999 (Low) of 2020 that fell by the wayside due to the truncated legislative session during the peak of the pandemic.

**AB 995 (Gonzalez) - Expanded Sick Leave.** This bill would allow employees to take five paid sick leave days per year. Current law allows for three days. The author framed the need for the bill around COVID-19, noting that the bill is necessary so employees that are sick can stay home and reduce the risk to their coworkers.

**AB 1041 (Wicks) - Expanded Leave for Non-Family Relationships.** This bill would expand the list of people an employee can take leave to care for to include an individual

with close association to the employee. The author's intent for this bill is to ensure those that do not have conventional family relationships are still able to take the same leave for their loved ones.

After heavy lobbying against the bill, it was substantially narrowed to allow an employee to designate one person annually to take this leave for and allows the employer to require documentation of that designated person's caretaking needs.

**AB 1119 (Wicks) - Family Responsibility Discrimination.** This bill would expand the list of protected characteristics under FEHA discrimination protections to include "family responsibilities." Under the bill, family responsibilities include the obligation to provide ongoing care to a minor child or "care recipient" which is a person who lives with the employee and relies on them for care. Expanding FEHA to cover these obligations would allow employees to have a cause of action against an employer who discriminated against the employee because of their family responsibilities.

Because the bill allows for a private right of action, employer groups are strongly opposed and have been working to narrow the language that would allow for an accommodation for family responsibilities.

**AB 1179 (Carrillo) - Backup Childcare.** This bill would require all employers with more than 1,000 employees in California to provide 60 hours of backup childcare benefits to their employees. Interestingly, the labor unions that typically engage on bills of this nature do not have a position on this bill.

To make this bill more workable for employers, the employer associations are seeking to work with the author to propose a more comprehensive strategy to deal with childcare that includes government support for childcare programs, especially considering the federal stimulus dollars already allocated to states for childcare purposes.

### **Public Meeting Bills**

Three public meeting bills have been introduced relating to the pandemic and teleconference/virtual meetings.

**AB 361 (Rivas)- Virtual Meetings for Declared Emergencies Only.** This bill is sponsored by the CA Special Districts Association and would codify the Governor's Executive Order allowing for teleconference for declared emergencies. The bill would require local agencies to re-declare an emergency every 30 days that would then allow them to continue meeting remotely.

Because it is not a fiscal bill, it can be heard after the policy committee deadline. The bill passed out of the Assembly Local Government Committee this week.

**AB 339 (Lee) - Mandatory Virtual Meetings with Translation Services –** As introduced, this bill would have required the Legislature and public boards to continue to provide virtual access for the public, even if all of the members attended in-person, included requirements for translation services upon request and posting instructions in



the 2 most spoken languages in the jurisdiction. The bill is sponsored by the Leadership Counsel for Justice & Accountability and the ACLU of California.

Due to opposition from public agency groups, the bill was amended to limit the bill's applicability to city councils and boards of supervisors in jurisdictions with over 250k residents, limit the public access to phone or internet (not both), remove all translation requirements, and add a sunset date, among other changes.

The bill passed out of its first policy committee unanimously and will be heard next in the Assembly Appropriations Committee.

**AB 703 (Rubio) - Continues Option for Virtual Meetings beyond pandemic.** This bill codifies the Governor's Executive Order allowing for teleconference meetings after the pandemic is over. However, the author's office has confirmed that this bill is a two-year bill that will not be moving further this year of session.