



## **Regular Meeting**

### **Item Number 11 – Open Session**

**Subject:** State and Federal Legislation

**Presenter(s):** Joycelyn Martinez-Wade

**Item Type:** Information

**Date & Time:** September 2, 2021 – 10 minutes

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**Attachment(s):** Attachment 1 – Legislative Matrix

**PowerPoint(s):** None

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#### **PURPOSE**

The purpose of this item is to provide the board with an update on current state and federal legislation.

#### **SUMMARY**

##### **Summary information**

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Legislative Matrix

## 2021 LEGISLATIVE MATRIX

### STATE LEGISLATION

Updated: 8/10/21

| BILL/<br>AUTHOR   | SPONSOR                  | SUMMARY  | BOARD<br>POSITION   | LOCATION                          |
|---|--------------------------|--|---------------------|-----------------------------------|
| <a href="#">AB 539</a><br>(Cooley)<br><br>Introduced:<br>2/10/21    | CalSTRS                  | Grants the Teachers’ Retirement Board prudent flexibility to contract with investment managers and advisers under policies it adopts, and seeks to expand the CalSTRS Collaborative Model, an investment strategy to reduce costs, control risks and increase expected returns by managing more assets internally and leveraging external partnerships.  | Sponsor             | Senate Floor                      |
| <a href="#">AB 551</a><br>(Rodriguez)<br><br>Introduced:<br>2/10/21 | CalSTRS                  | Authorizes CalSTRS to offer a traditional (tax-deferred) Individual Retirement Account (IRA) in addition to a Roth IRA and accept rollovers from any eligible retirement plan to those IRAs. Also enables CalSTRS to receive contributions from IRA participants and allows spouses of those participants to contribute to a CalSTRS IRA plan.   | Sponsor             | Assembly Floor<br>(Inactive File) |
| <a href="#">AB 845</a><br>(Rodriguez)<br><br>Chaptered:<br>7/23/21  | SEIU                     | Creates a rebuttable presumption for disability retirements due to a COVID-19-related illness that the disability arose out of the member’s employment and sunsets on January 1, 2023.   | Neutral, if amended | Chapter 122,<br>Statutes of 2021  |
| <a href="#">AB 890</a><br>(Cervantes)<br><br>Amended:<br>5/24/21    | The New America Alliance | Requires the boards of CalSTRS and CalPERS, commencing March 1, 2023, to submit an annual report to the Legislature on the status of achieving appropriate objectives and initiatives, as defined by the system’s board, regarding participation of emerging or diverse asset managers in the systems’ investment portfolios. Requires the report to be based on contracts entered into on and after January 1, 2022, and to include specified information regarding each emerging or diverse manager. Sunsets on January 1, 2028. | Neutral             | Senate Floor                      |

| BILL/<br>AUTHOR  | SPONSOR  | SUMMARY   | BOARD<br>POSITION | LOCATION                                      |
|--|--|---|-------------------|---|
| <a href="#">AB 1019</a><br>(Holden)<br><br>Introduced:<br>2/18/21    | Author   | Prohibits state trust money from being used to make additional or new investments or renew existing investments in investment vehicles issued or owned by the government of Turkey, its instrumentalities or political subdivisions. Also indemnifies present, former and future board members, officers and employees of and investment managers under contract with those state trust funds for actions related to the bill, and no longer applies if the government of Turkey adopts a policy to acknowledge the Armenian Genocide and embark on a path of affording justice to its victims. | Oppose            | Assembly<br>PE&R<br>Committee                 |
| <a href="#">AJR 9</a><br>(Cooper)<br><br>Chaptered:<br>7/15/21       | CalRTA   | Requests the U.S. President and Congress to enact legislation that would repeal the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP) from the Social Security Act.  | Support           | Resolution<br>Chapter 78,<br>Statutes of 2021 |
| <a href="#">SB 294</a><br>(Leyva)<br><br>Amended:<br>6/14/21         | California<br>Labor<br>Federation;<br>CFT; CTA | Removes the 12-year limitation for service credit earned by a member while on a compensated leave of absence for elected officer service under the Teachers' Retirement Law and the Public Employees' Retirement Law.   | Neutral           | Assembly Floor                                |
| <a href="#">SB 457</a><br>(Portantino)<br><br>Introduced:<br>2/16/21 | Author   | Requires CalSTRS to provide a school district an option to elect an investment portfolio that does not contain investment vehicles that are issued or owned by the government of the Republic of Turkey and extends the same provision to school districts and cities participating in CalPERS.   | Oppose            | Assembly<br>PE&R<br>Committee                 |
| <a href="#">SB 634</a><br>(L,PE&R)<br><br>Amended:<br>6/14/21        | CalSTRS  | Makes various technical, conforming or minor changes to the Teachers' Retirement Law to facilitate efficient administration of the State Teachers' Retirement Plan. Also makes various technical and conforming changes in the Public Employees' Retirement Law and the County Employees Retirement Law.  | Sponsor           | Senate<br>Concurrence                         |

**FEDERAL LEGISLATION**

Updated: 8/10/21

| <b>BILL/<br/>AUTHOR</b>  | <b>SPONSO</b> | <b>SUMMARY</b>   | <b>BOARD<br/>POSITION</b> | <b>LOCATION</b>   |
|--|---------------|--|---------------------------|---|
| <a href="#"><u>H.R. 82</u></a><br>(Davis-IL)<br><br>Introduced:<br>1/4/21  | Author        | Eliminates the GPO and the WEP from the Social Security Act.   | Support                   | House<br>Committee on<br>Ways and<br>Means  |
| <a href="#"><u>S. 588</u></a><br>(Feinstein-CA)<br><br>Introduced:<br>3/4/21<br><br><a href="#"><u>H.R. 1549</u></a><br>(Casten-IL)<br><br>Introduced:<br>3/3/21 | Author        | Establish a permanent Climate Risk Advisory Committee on the Financial Stability Oversight Council (FSOC), require specified regulatory agencies to include climate risk in their supervisory guidance, require FSOC to incorporate climate risk into specified decisions, require the Federal Insurance Office to report on modernizing and improving climate risk insurance regulation, and encourage financial regulators to join international networks on climate financial risk. | Support                   | Senate<br>Committee on<br>Banking,<br>Housing, and<br>Urban Affairs<br><br>House<br>Committee on<br>Financial<br>Services |