

1993

## 1993 Legislative Summary

Assembly Committee on Public Employees, Retirement and Social Security

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# California Legislature

## Assembly Committee

on

### Public Employees, Retirement and Social Security

**SAL CANNELLA**  
**CHAIRMAN**

## 1993 LEGISLATIVE SUMMARY



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# Assembly California Legislature



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December 1, 1993

Dear Mr. Speaker and Members of the Assembly,

The following report contains summaries of bills which were referred to, and considered by, the Assembly Public Employees' Retirement and Social Security Committee during the 1993 session. The report also contains the final disposition of each bill, identifying those bills which were signed by the Governor with the appropriate chapter number.

I would like to take this opportunity to thank all of the committee members for their hard work and spirit of cooperation. Although many of the committee members were new to this complex policy area, the general sense of commitment and professionalism made the process smooth and productive. I would also like to thank Assemblymember Richard K. Rainey for his assistance in creating an effective bipartisan atmosphere.

Finally, the hard work of all the committee staff should be commended. They made an important contribution to our success.

Again, many thanks to all who made this first year as Chair of the P.E.R. & S.S. Committee a positive experience. I look forward to next year with great anticipation.

Sincerely

A handwritten signature in cursive script that reads "Sal Cannella".

SAL CANNELLA, Chairman  
Public Employees, Retirement and  
Social Security Committee

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California Legislature

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Public Employees' Retirement & Social Security

SAL CANNELLA  
CHAIRMAN

1993 LEGISLATIVE SUMMARY

1993 P.E.R. & S.S. Legislation

MEASURE NUMBER -----	AUTHOR -----	TOPIC -----
AB 7	Campbell	Legislative employees: state civil service eligibility. Redefines options available to exempt employees of the executive and legislative branches. Provides new eligibility to executive branch employees. (Chapter 1001, 1993)
AB 40	Margolin	State trust funds. Imposes investment restrictions on state trust funds concerning companies which participate in the Arab League's boycott of Israel. Could become a test of PERS and STRS authority after Proposition 162. (Chapter 449, 1993)
AB 84	Conroy	Community college classified employees. Expands the authority of Community College Districts to create alternative workweeks in collaboration with labor groups. (Chapter 139, 1993)
AB 216	Margolin	Retirement systems: investments. Authorizes any state or local retirement system to invest in foreign bonds, as specified. (Chapter 440, 1993)
AB 254	Rainey	County Employees Retirement Law of 1937: retirement boards: records. Would provide 37 Act Counties with specific record management authority. (Chapter 24, 1993)

AB 255 Rainey County retirement: additional member contributions.  
Would permit certain 37 Act county employees to contribute additional amounts toward a retirement benefit, subject to regulations of the county retirement board.  
**(Chapter 25, 1993)**

AB 298 Snyder Certificated and classified employees: transfer of leave credit.  
Expands the rights of classified employees to transfer certain types of accumulated leave.  
**(Chapter 325, 1993)**

AB 348 Cannella PERS: membership-exclusions and inclusions. Clarifies membership of part-time employees.  
**(Chapter 1168, 1993)**

AB 349 Cannella PERS school members: alternative-option 2. Provides pre-retirement death benefit to classified school employees.  
**(Vetoed)**

AB 351 Tucker Department of Personnel Administration: benefits.  
Requires that represented employees receive same dental & vision benefits as non-represented employees.  
**(Asm. Ways & Means)**

AB 376 Connolly School district and community college district employees.  
Allows for use of binding arbitration in disputes over disciplinary actions against classified employees.  
**(Enrolled, 6/23, Vetoed 7/1/93)**

AB 407 Escutia STRS: membership: exclusions. Strikes that section of STRS law which prevents certain part-time employees from joining the retirement system.  
**(Vetoed - Item)**

AB 412 Conroy Civil service: examinations: veterans.  
Would expand veteran's preference points to  
open, non-promotional entrance examinations.  
(Senate Desk)

AB 439 Burton State officers and employees: salary  
reductions.  
Prohibits the reduction of employee salaries  
during a fiscal year for budgetary purposes.  
(Vetoed)

AB 447 Seastrand State Teachers' Retirement System: members.  
Relieves STRS from requirement to issue  
annual statement for members who have no  
valid address on file.  
(Vetoed)

AB 449 Horcher State Teachers' Retirement System: Rule of  
85 service retirement plan.  
Would add the "Rule of 85" to the State  
Teachers' Retirement Law.  
(Vetoed)

AB 459 Haynes Public employees: right to work.  
Exempts state employees from certain  
participation in employee unions  
(Failed)

AB 467 Statham Schools: classified employees.  
Increases number of sick leave days that can  
be used for "personal necessity".  
(Chapter 23, 1993)

AB 510 Collins State officers: compensation.  
Prohibits the accrual of paid leave for  
certain executive employees in state service.  
(Chapter 447, 1993)



AB 534 Archie-Hudson State contracts.  
Requires that certain procurement provisions regarding payment of contractors be applicable to additional state agencies.  
(Chapter 179, 1993)

AB 541 Cannella State civil service: leaves of absence.  
Codifies return rights for state employees who take leaves of absence.  
(Chapter 466, 1993)

AB 630 Cannella Public employees' health benefits: state's employer contributions: sole source fee-for-service plans.  
Would provide subsidy for state employees who are forced to select fee-for-service plans.  
(Asm. Ways & Means)

AB 631 Cannella State Teachers' Retirement System: compensation and salary.  
STRS vehicle for pension abuse legislation.  
(Chapter 468, 1993)

AB 634 Tucker Public employees' dental and vision care plans: coverage of family members.  
Would extend health benefits to dependents other than immediate family members. (e.g. grandchildren)  
(Vetoed)

AB 701 Tucker Public Employees' Retirement System: optional additional member contributions.  
This bill would expand the number of state employees who can invest directly in the PERS portfolio and receive the net return.  
(Chapter 174, 1993)

AB 798 Sher Public retirement systems: benefit payments.  
Would allow members to request that advice notices not be sent to their home when they use electronic transfer service.  
(Chapter 1083, 1993)

AB 803 Hauser Judges' Retirement System: justice court judges-service computation. Allows justice court judges to purchase prior service under certain conditions. (ASM. P.E.R. & S.S. Committee)

AB 809 Rainey State employees: definitions. Revises definitions of certain employee classifications. (Chapter 109, 1993)

AB 810 Tucker Public Employees' Retirement System: State Teachers' Retirement System: cost study of proposed new retirement formulas. Directs both PERS and STRS to cost two new retirement tiers for state members in those two systems - 2% at age 58", and "2% at age 59". A potential Proposition 162 area of conflict. (Senate Appropriations)

AB 888 Collins State employees: elections: proof of support. Would specify certain procedures involved in re-certification elections. (Vetoed)

AB 894 Terry Friedman Public records: law enforcement employees. Would allow the Department of General Services to have access to addresses of state employees for the purpose of mailing union literature. (Failed)

AB 902 Klehs Employment: state and local government: job growth. The bill states that the number of new state and local public sector jobs in any year cannot exceed the number public sector jobs in any year cannot exceed the number of newly created private sector jobs. (Failed)

AB 916	Farr	<p>Public retirement systems: credit enhancement programs for local governmental bonds.</p> <p>Directs PERS and STRS to study the feasibility of establishing a credit enhancement program for local government bonds.</p> <p><b>(Vetoed)</b></p>
AB 993	Baca	<p>PERS: annual adjustments of allowances: dates.</p> <p>Would move the effective dates for the annual adjustment of PERS allowances from the current April 1 and May 1 dates to January 1 and April 1.</p> <p><b>(ASM. Ways &amp; Means)</b></p>
AB 1007	Archie-Hudson	<p>Public retirement systems: loans.</p> <p>Creates the state-funded California Alternative Investment Guarantee Program which is to guarantee the investments of public retirement systems in venture capital companies owned by women or minorities.</p> <p><b>(ASM. Ways &amp; Means)</b></p>
AB 1054	Conroy	<p>Civil service: fire protection personnel.</p> <p>Conversion of certain military reserve personnel to state civil service.</p> <p><b>(Chapter 310, 1993)</b></p>
AB 1145	Richter	<p>State civil service: personal services contracts.</p> <p>Eliminates notice requirements for personal services contracts.</p> <p><b>(Failed)</b></p>
AB 1192	Cannella	<p>PERS: service credit-local member layoff periods.</p> <p>Sets out a maximum of one year of purchasable service credit for each layoff period. The bill will permit a PERS contracting city within the County of Santa Barbara to</p>

negotiate with the county to transfer the retirement liability of a local safety member who has become employed by the county, under certain conditions.  
**(Chapter 684, 1993)**

- AB 1235 Lee Education: classified employees: notice of layoff.  
Would expand notice requirements for community colleges to layoff classified employees  
**(Vetoed)**
- AB 1237 Cannella County retirement: service credit: member layoff periods.  
An optional section in 37 Act Law permits certain laid-off members who return to work within 12 months of the date of layoff, to purchase service credit for the layoff period, not to exceed one year. AB 1237 would provide that instead, the maximum service credit that could be purchased would be one year for each layoff period.  
**(Chapter 284, 1993)**
- AB 1271 Murray Classified school and community college employees: personnel commission.  
Allows interim term for commissioner whose term has expired.  
**(Chapter 112, 1993)**
- AB 1276 Seastrand Public Employees' Retirement System: benefits.  
Would make it easier for certain returning state members to join Tier 1 rather than Tier 2.  
**(Chapter 358, 1993)**
- AB 1293 Speier State employees.  
Reasonable accommodation for family care responsibilities.  
**(Vetoed)**

AB 1351 Cannella Department of Food and Agriculture: civil executive officer. Changes the name of the Director of Food and Agriculture to the Secretary of Food and Agriculture. (Chapter 42, 1993)

AB 1452 Cannella County retirement: optional settlements and death benefits. Would allow the L.A. County Board of Supervisors to increase certain benefits to eligible surviving spouses and children by 33 percent and decrease certain continuing survivor benefits by 20 percent. (Chapter 286, 1993)

AB 1470 Cannella Public retirement systems: additional age and service credit. Provides a "3 plus 3" early retirement benefit to state and local employees. (ASM. Ways & Means)

AB 1471 Cannella Public retirement systems: legislators' benefits: interest crediting: purchasing power protection. Simplifies PERS crediting of member accounts; provides new benefits to constitutional officer members of LRS. (Vetoed)

AB 1501 Cannella PERS membership: part-time employees. Makes PERS membership compulsory for employees with a total of more than 1,820 hours of employment for multiple PERS employers. (ASM Ways & Means)

AB 1527 Burton Retirement systems: Northern Ireland. Requires PERS and STRS to monitor those companies in which they invest and who do business in Northern Ireland, to determine their level of compliance with the "MacBride Principles". (ASM Inactive)

AB 1571 Tucker Higher Education Employer-Employee Relations Act.  
Requires arbitration for certain disputes involving higher education personnel.  
(ASM. P.E.R. & S.S.)

AB 1572 Rainey Public Employees' Retirement System: terminating agencies.  
Insures certain retirement benefits for employees of terminating agencies.  
(Chapter 689, 1993)

AB 1596 Epple Public Employees' Retirement System: industrial disability determinations: state patrol and peace officer/firefighter members.  
Provides that if the PERS Board does not make a determination on an industrial disability application by a state safety member within a specified period, the person is presumed to be disabled.  
(Senate Appropriations)

AB 1631 Karnette STRS: administration: required information. Would simplify procedure for establishing proof of death by beneficiaries.  
(Chapter 920, 1993)

AB 1659 Napolitano Los Angeles County retirement: definition of "compensation earnable": family law. Would add to 37 Act Law a new, optional, section defining "compensation" and "compensation earnable". Is a Los Angeles County bill only.  
(Chapter 396, 1993)

AB 1752 Solis School and community college employees. Provides automatic upgrades for classified employees with one year of service.  
(Failed)

AB 1796	Napolitano	State Teachers' Retirement Law. Renaming and re-codification of the Teachers' Retirement Law. <b>(Chapter 893, 1993)</b>
AB 1799	Speier	Public employees: health benefits. Provides for clarification of terms. <b>(Senate P.E. &amp; R)</b>
AB 1817	McDonald	PERS school members: compensation reductions: service credit. Provides preservation of benefits for classified school members in response to salary reductions. <b>(Chapter 496, 1993)</b>
AB 1872	Cortese	Public Employees' Retirement System: purchasing power protection. Would fully fund the PERS Purchasing Power Protection Account (PPPA). <b>(ASM. Ways &amp; Means)</b>
AB 1889	Polanco	County retirement: service credit: prior military service. Would permit San Mateo County to allow employees meeting certain conditions, to receive credit towards retirement for prior military service, if the employee pays the full cost. <b>(ASM. P.E.R. &amp; S.S.)</b>
AB 1921	Speier	State employees: reimbursement for training, travel, moving, or other expenses. Would restrict the nature and extent of reimbursement for travel, moving and other expenses. <b>(Senate P.E.&amp; R)</b>
AB 2069	Allen	County Employees Retirement Law of 1937: re-employment of members. Would establish an optional method for computing the benefits for a retired member who is re-employed and subsequently retires. <b>(Chapter 291, 1993)</b>

AB 2117      Johnson      Contracting agencies' employees' health benefits: vesting in employer contributions for annuitants. Allows North Orange County Community College District and the Riverside County Superintendent of Schools to bargain for a new threshold for the employer's contribution for retiree health care. (Chapter 58, 1993)

AB 2147      Conroy      State Teachers' Retirement System: Teachers' Retirement Fund: loans. Authorizes the STRS Board to use its retirement fund to provide training to STRS members in fields other than education. (ASM P.E.R. & S.S.)

AB 2213      Lee      Insurance Commissioner: employee health benefits limitations. Calls for the investigation by the Insurance Commissioner of those business firms which have discriminatory caps on the health care of their employees. Report of such firms to PERS, STRS and the Legislature. (ASM. Health)

AB 2237      McDonald      Public Employees' Retirement System: mandatory California investments. Requires that a majority of all PERS funds which become available for investments in a fiscal year will be invested in California firms. (ASM. P.E.R. & S.S.)

AB 2278      Tucker      State Teachers' Retirement System: miscellaneous revisions. Statutory maintenance legislation. (Chapter 1082, 1993)

AB 2364      Mountjoy      Judges' Retirement System: retirement over age 70: allowance and spousal survivor benefits. Expands certain benefits to judges who retire after age 70. (Failed)



ACR 48

Cannella

Merit awards.

Permits the payment of the remainder of merit awards which exceed \$5,000.

(Chapter 78, 1993)

SENATE BILLS

- SB 53            Russell            PERS: administration.  
This bill contains language which PERS hopes  
will be a solution to its pension abuse  
problems uncovered over the last three years.  
(Chapter 1297, 1993)
- SB 65            McCorquodale      Judges' Retirement System.  
This is a spot bill awaiting the results of a  
commission which is charged with the task of  
reforming the Judges' Retirement System which  
is administered by PERS. The current  
contents of the bill are of no significance.  
(Conference Committee)
- SB 107           Hughes            Additional 2 years' STRS service credit:  
indefinite extension.  
Makes the STRS 2 year "Golden Handshake"  
permanent.  
(Vetoed)
- SB 192           Dills            Local public employees: health benefits.  
Allows school employers to bring retirees  
into PEMHCA (the PERS health care program)  
under the terms of an MOU rather than under  
the terms of current law.  
(ASM Inactive file)
- SB 195           Hughes            Local agencies: employees: whistle blowing.  
Requires STRS reorganize and offer their  
tax-sheltered annuity plan.  
(Chapter 503, 1993)
- SB 267           Dills            State employees: representation: notice.  
Requires employer to provide immediate notice  
of employees right to be represented in  
disciplinary actions.  
(Vetoed)

SB 271	Committee on Budget and Fiscal Review	Governmental operations. Ratification of Bargaining Unit 14 collective bargaining agreement. (Chapter 63, 1993)
SB 277	Hughes	Teachers' Retirement Board: composition. Would require the election of certain members of the State Teachers' Retirement System Board of Administration. (ASM Ways & Means)
SB 326	Dills	Public Employees' Retirement System: state safety members. Reclassification of certain safety positions. (Chaptered 771, 1993)
SB 400	Hughes	PERS: optional variations of optional settlements 2 and 3 regarding predeceasing designated beneficiaries. (Chapter 639, 1993)
SB 408	Craven	Public officers and employees: payroll deductions. Clarifies procedures of State Controller regarding the purchase of annuity contracts for state employees. (Chapter 1300, 1993)
SB 414	Roberti	State Teachers' Retirement System: Classroom teachers' one-year final compensation. Would provide a revised payment schedule for school districts adopting the one year final compensation definition. (Vetoed)
SB 430	Boatwright	County Employees Retirement Law of 1937. Existing 37 Act law authorizes a county retirement board, upon the request of the county board of supervisors demonstrating

financial necessity, to adopt a funding period of 30 years to amortize unfunded actuarial obligation. SB 430 would provide a retirement board with the option of adopting a funding period of up to 30 years.  
(Vetoed)

- SB 501      Beverly      Public retirement systems: benefits: service credit.  
Authorizes local agencies in PERS and 37 Act counties to offer a Golden Handshake of up to 4 years of service.  
(Vetoed)
- SB 507      Russell      Public Employees' Retirement System: funding period extensions.  
Prevents a contracting agency from combining a benefit increase with an extension of its funding period.  
(ASM P.E.R. & S.S.)
- SB 534      Alquist      State employees: personal leave credits.  
Would provide personal leave credits to employees who missed personal leave program.  
(ASM. Ways & Means)
- SB 539      Wright      State employees: employee release time bank  
Allows state departments and agencies to transfer release time credits between departments and agencies.  
(Vetoed)
- SB 586      Hughes      State Teachers' Retirement System:  
purchasing power protection.  
Restates legislative intent that retirement teachers should have 75% purchasing power protection and identifies certain revenues which could be used to achieve that goal.  
(ASM P.E.R. & S.S.)

SB 698 Torres State Teachers' Retirement System: final compensation.  
Allows a member whose final compensation is reduced due to school financial problems to report highest compensation earnable.  
(Vetoed)

SB 699 Roberti Local transportation agencies: employees: retirement.  
Allowed for certain service credit adjustments when a new local agency was created.  
(Chapter 256, 1993)

SB 754 Hughes State Teachers' Retirement System: optional settlements.  
Clarifies the applications of optional settlements under STRS law.  
(Chapter 911, 1993)

SB 793 Wright Public Employees' Retirement System: partial disability retirement program.  
Clarifies administrative provisions of partial disability program enacted by SB 465 of 1992.  
(Chapter 513, 1993)

SB 807 Dills Classified employees of local educational entities.  
Changes the selection process for personnel commissions of community colleges.  
(Vetoed)

SB 810 Ayala State employment: military leave.  
Allows greater flexibility for state employees who are absent due to military service.  
(Chapter 381, 1993)



SB 1003 Johnston State employees' health care benefits.  
Would allow PERS to rebate funds from the  
Highway Patrol's Health Care Trust to help  
limit the out-of-pocket payments of the  
premiums of active and retired employees.  
(Chapter 1205, 1993)

SB 1226 Dills State employees.  
Ratification of Unit 14 Memorandum of  
Understanding.  
(Chapter 825, 1993)

SB 1232 Morgan Public educational employment: negotiations  
training.  
Encourages school districts to use interest  
based bargaining technique.  
(Vetoed)

SCR 12 Torres Public Employees' Retirement System:  
military service credit.  
Requires PERS to complete a study on  
providing a military service credit buy back  
plan at a lower cost.  
(Chapter 68, 1993)