

AGENDA

A REGULAR MEETING OF THE BOARD OF RETIREMENT

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA

9:00 A.M., THURSDAY, AUGUST 10, 2017

*The Board may take action on any item on the agenda,
and agenda items may be taken out of order.*

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Regular Meeting of July 13, 2017
- IV. REPORT ON CLOSED SESSION ITEMS
- V. OTHER COMMUNICATIONS
 - A. For Information
 - 1. June 2017 All Stars
 - 2. Chief Executive Officer's Report
(Memo dated August 1, 2017)
- VI. PUBLIC COMMENT
- VII. CONSENT AGENDA
 - A. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at NACD's Advanced Director Professionalism Foundation Course on December 4-5, 2017 in Miami, Florida, approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy, and approve the payment of NACD Individual Director Membership fees.
(Placed on the agenda at the request of Mr. Kehoe)
(Memo dated July 25, 2017)

VII. CONSENT AGENDA (CONTINUED)

- B. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the Intelligence Support Systems World America's Conference on September 11-13, 2017 in Washington, D.C. and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Placed on the agenda at the request of Mr. Bernstein) (Memo dated July 25, 2017)
- C. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the Nossaman's Public and Investments Fiduciaries' Forum conference on November 30 – December 1, 2017 in San Francisco, California, and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated July 26, 2017) (Placed on the agenda at the request of Mr. Muir)
- D. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the Public Pension Trustees Fiduciary Conference on October 3 – 4, 2017 in New York, New York and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated July 26, 2017) (Place on agenda at the request of Ms. Gray)

VIII. NON-CONSENT AGENDA

- A. Recommendation as submitted by William de la Garza, Insurance, Benefits and Legislative Committee Chair: That the Board adopt a "Watch" position on Senate Bill 562, which would enact the Healthy California Act. (Memo dated July 13, 2017)
- B. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board direct management to join the Represented Employees in signing the Memorandums of Understanding incorporating the Tentative Agreements for LACERA Administrative, Technical, Clerical, and Blue Collar Bargaining Unit (Unit 850) and LACERA Supervisory Bargaining Unit (Unit 851). The Memorandums of Understanding will be effective January 1, 2017 through December 31, 2019. (Memo dated July 31, 2017)

VIII. NON-CONSENT AGENDA (Continued)

- C. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve salary adjustments for the LACERA's Non-Represented and Management Appraisal and Performance Plan (MAPP) classes to mirror those salary adjustments granted to LACERA Represented Employees. (Memo dated July 31, 2017)

IX. REPORT ON STAFF ACTION ITEMS

- X. GOOD OF THE ORDER
(For information purposes only)

XI. CLOSED SESSION

- A. Conference with Legal Counsel - Pending Litigation
(Pursuant to Paragraph (1) of Subdivision (d) of California Government Code Section 54956.9)

- 1. United States of America v. Gary Ordog
Case 2:17-CV-01664-FMO

- B. Conference with Legal Counsel - Anticipated Litigation
(Initiation of Litigation Pursuant to Paragraph (4) of Subdivision (d) of California Government Code Section 54956.9)

- 1. Number of Potential Cases: 1

XII. ADJOURNMENT

August 10, 2017

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Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Retirement that are distributed to members of the Board of Retirement less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Board of Retirement Members at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 a.m. to 5:00 p.m. Monday through Friday.

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MINUTES OF THE REGULAR MEETING OF THE BOARD OF RETIREMENT

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA

9:00 A.M., THURSDAY, JULY 13, 2017

PRESENT: Vivian H. Gray, Vice Chair
Marvin Adams
Alan Bernstein
Anthony Bravo
David L. Muir (Alternate Retired)

ABSENT: William de la Garza, Secretary
Shawn R. Kehoe, Chair
Joseph Kelly
Ronald A. Okum
William Pryor (Alternate Member)

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer

Robert Hill, Assistant Executive Officer

John Popowich, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Johanna Fontenot, Senior Staff Counsel

Barry W. Lew, Legislative Affairs Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

John Nogales, Director, Human Resources

Michael Cordial, Senior Human Resources Analyst

Draza Mrvichin, LACERA's Contracted Negotiator

I. CALL TO ORDER

The meeting was called to order by Ms. Gray at 9:04 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Mr. Bravo led the Board Members and staff in reciting the Pledge of Allegiance.

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of June 15, 2017

Mr. Adams made a motion, Mr. Bernstein seconded, to approve the minutes of the regular meeting of June 15, 2017. The motion passed unanimously.

IV. REPORT ON CLOSED SESSION ITEMS

No items were reported.

V. OTHER COMMUNICATIONS

A. For Information

1. May 2017 All Stars

Mr. Hill announced the eight winners for the month of May: Vladimir Meyliker, Quoc Nguyen, Melissa Mooc, Sergik Tahmazyan, Maria Soriano, Carlos Alonso, Romla

V. OTHER COMMUNICATIONS (Continued)

A. For Information

Robinson, Michael Cordial for the Employee Recognition Program and Leilani Ignacio for the Webwatcher Program. Lourdes Diaz, Margaret Chwa, Seema Parween, and Michael Romero were the winners of LACERA's RideShare Program.

2. Chief Executive Officer's Report
(Memo dated June 30, 2017)

Mr. Rademacher provided a brief overview of his Chief Executive Officer's Report with a quick update on what transpired at the Board of Investments Offsite meeting. (Board of Investments minutes are available to view on LACERA's Website www.lacera.com.)

Mr. Rademacher thanked Ms. Gray for accepting the National Association of Securities Professionals PACESETTER Award on behalf of LACERA. The PACESETTER Award recognizes individual trustees or funds that have ensured or promoted the full involvement of women or minorities in the securities industry.

Mr. Rademacher recognized Eugenia Der for coordinating a day at LACERA for the Los Angeles County Management Fellows Program, in addition he thanked the following staff for their contributions in providing instructions throughout the day, Tionna Fredericks, Bill Lindstrom, Hernan Barrientos, Vincent Lim and Jonathan Gabel.

Mr. Rademacher recognized Steven P. Rice, Jill Rawal and Michael Herrera for attending and participating on various panels at the National Association of Public Pension Attorneys Conference. Mr. Rademacher also congratulated Michael Herrera for being

V. OTHER COMMUNICATIONS (Continued)

2. Chief Executive Officer's Report
(Memo dated June 30, 2017)

elected Vice President of the National Association of Public Pension Attorneys.

Lastly, Mr. Rademacher congratulated Cynthia Juvinal from the Systems Division who will be retiring from LACERA with approximately 20 years of service. In addition, introduced newly hired Staff Counsel, Cheryl Lu, in the Legal Division.

VI. PUBLIC COMMENT

There were no requests from the public to speak.

VII. CONSENT AGENDA

Mr. Muir made a motion, Ms. Gray seconded, to approve the following agenda items. The motion passed unanimously.

- A. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the Principles for Responsible Investment in Person on September 25-27, 2017 in Berlin, Germany and approve reimbursement of all travels costs incurred in accordance with LACERA's Education and Travel Policy.
(Placed on the agenda the request of Mr. Bernstein)
(Memo dated June 28, 2017)
- B. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the ASIS 63rd Annual Security Seminar on September 25-28, 2017 in Dallas, Texas and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.
(Placed on the agenda at the request of Mr. Kehoe) (Memo dated July 4, 2017)

VII. CONSENT AGENDA (Continued)

- C. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board approve attendance of Trustee Gray at the New York Association of Public Employees' Retirement Systems luncheon on cybersecurity, on July 24, 2017, in New York City, New York, with no charge against the total number of conferences she may attend, and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy
(Placed on the agenda at the request of Ms. Gray) (Memo dated July 5, 2017)

VIII. NON-CONSENT AGENDA

- A. Recommendation as submitted by William de la Garza, Chair, Insurance, Benefits & Legislative Committee: That the Board sponsor legislation to provide statutory authority to the Board of Retirement to correct board decisions made between 2013 and 2015 in the determination of the effective date of disability retirement that were based upon an error law existing at the time of the decision. (Memo dated June 15, 2017)
(Supplemental Memo dated July 3, 2017)

Ms. Fontenot and Mr. Lew provided a brief presentation and answered

questions from the Board.

Mr. Muir made a motion, Mr. Adams seconded, to approve the recommendation. The motion passed unanimously.

- B. Recommendation as submitted by Alan Bernstein, Chair, Operations Oversight Committee: That the Board approve the Internship Program and direct staff to implement the program as described.
(Memo dated June 29, 2017)

Mr. Nogales and Mr. Cordial provided a brief presentation and answered

questions from the Board.

Ms. Gray made a motion, Mr. Bernstein seconded, to approve the recommendation. The motion passed unanimously.

VIII. NON-CONSENT AGENDA (Continued)

- C. Recommendation as submitted by Bernie Buenaflor, Division Manager, Benefits Division: That the Board 1) Determine, based upon medical evaluation conducted June 8, 2017, that Rosario Jurgens is not incapacitated for the duties assigned to her in the position of GAIN Services Worker; and 2) Grant the application of Rosario Jurgens for reinstatement to active membership. (Memo dated June 23, 2017)

Ms. Adams made a motion, Mr. Muir seconded, to approve the recommendation. The motion passed unanimously.

IX. REPORT ON STAFF ACTION ITEMS

There was nothing to Report on Staff Action Items.

- X. GOOD OF THE ORDER
(For information purposes only)

There was nothing to report during Good of the Order.

XI. EXECUTIVE SESSION

- A. CONFERENCE WITH LABOR NEGOTIATORS
(Government Code Section 54957.6)

1. Agency designated representatives:
John Popowich, Assistant Executive Officer
John Nogales, Director, Human Resources
Draza Mrvichin, LACERA's Contracted Negotiator

The Board met in Executive Session and there is nothing to report at this time.

Green Folder Information (Information distributed in each Board Member's Green Folder at the beginning of the meeting)

1. LACERA Legislative Report – Other (Dated July 11, 2017)
2. LACERA Legislative Report - Bills Amending CERL/PEPRA (Dated July 11, 2017)

July 13, 2017

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XII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:20 a.m.

WILLIAM DE LA GARZA, SECRETARY

SHAWN R. KEHOE, CHAIR



August 1, 2017

TO: Each Member
Board of Retirement
Board of Investments

FROM: Gregg Rademacher 
Chief Executive Officer

SUBJECT: **CHIEF EXECUTIVE OFFICER'S REPORT**

I am pleased to present the Chief Executive Officer's Report that highlights a few of the operational activities that have taken place during the past month, key business metrics to monitor how well we are meeting our performance objectives, and an educational calendar.

New Core Benefits Training Update

I would like to take a moment to congratulate the trainees in our Core Benefits Training program who will be graduating in August. The Core Benefits Training program is a rigorous year-long training regime including a mix of classroom instruction, testing, detailed case analysis, case discussion, and real-time production experience. Throughout training, 100% of their work product is checked for quality and feedback is provided in a very collegial learning environment.

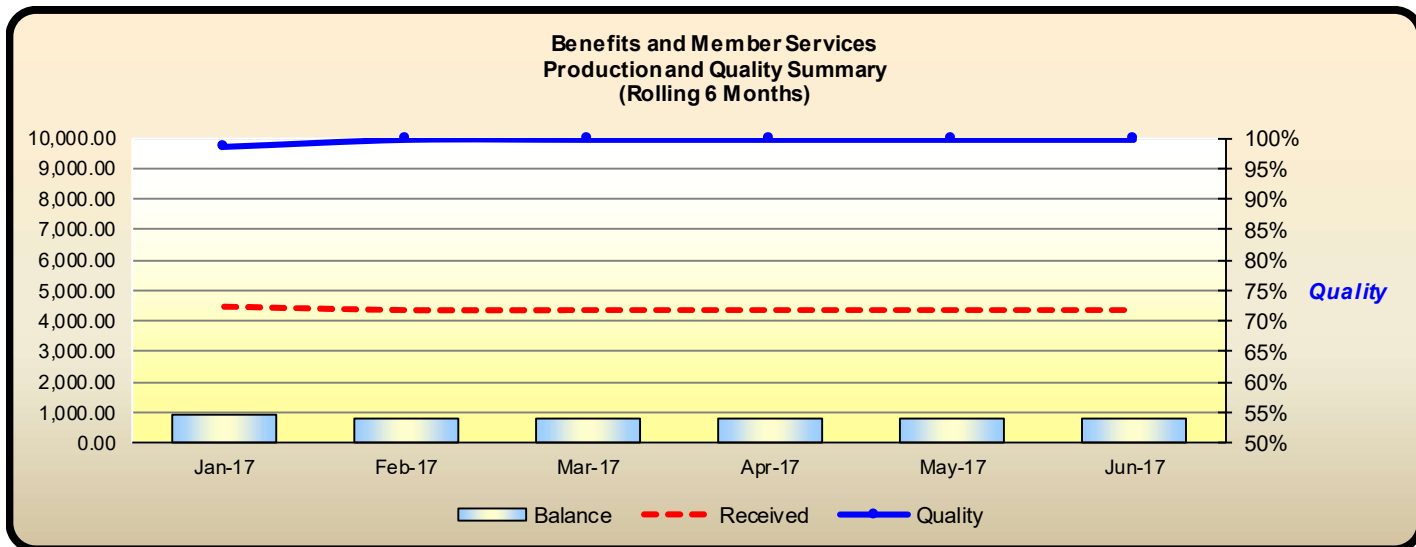
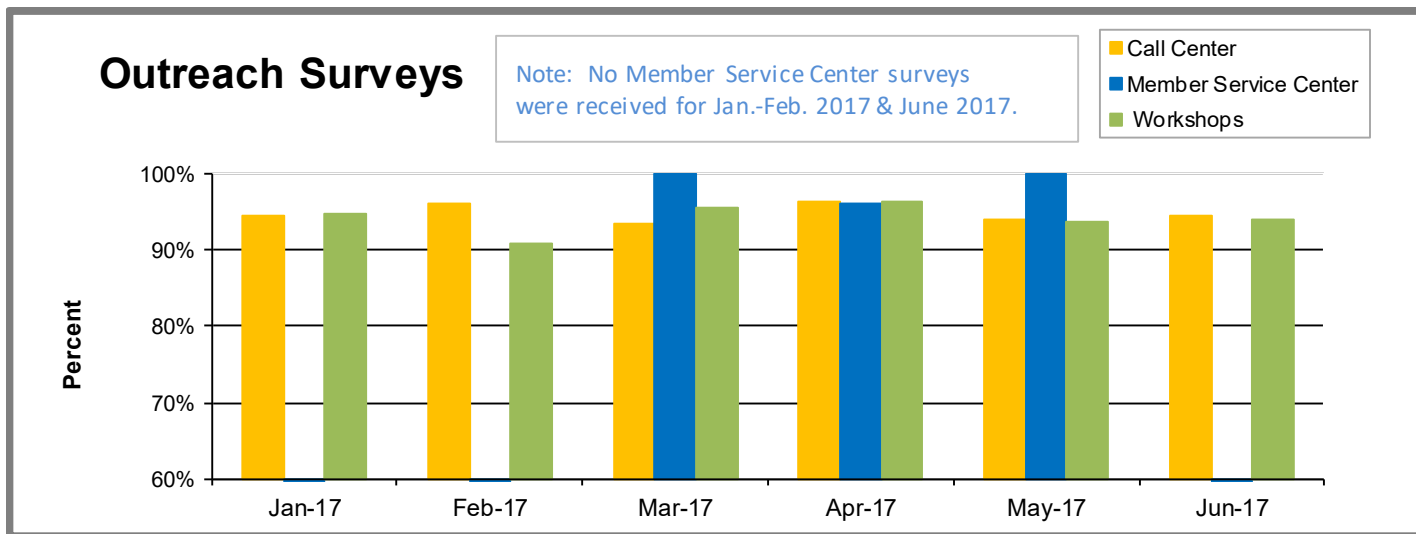
Six trainees are scheduled to take their final exams later this month and we look forward to their success. After graduation they will report to their respective divisions for their new assignments or additional training. Some trainees, like those who will be joining our Member Services Call Center team, will receive additional training in LACERA's Call Center operations and customer service before they begin their side-by-side job shadowing to complete their training to work independently taking care of our members. We will invite the trainees to a future Board meeting to be recognized for their accomplishment and welcome them to their new careers.

We are also very excited to announce our next Core Benefits Training program will start in mid-August. This year's class will consist of 12-14 trainees. Upon successful completion of the training, a majority of trainees are slated to eventually join our Call Center teams in Member Services and Retiree Healthcare in August of 2018.

LACERA's KEY BUSINESS METRICS

OUTREACH EVENTS AND ATTENDANCE

Type	# of WORKSHOPS		# of MEMBERS	
	Monthly	YTD	Monthly	YTD
Benefit Information	16	166	457	5,902
Mid Career	2	31	88	1,033
New Member	15	169	256	3,462
Pre-Retirement	9	95	309	2,198
General Information	3	11	43	502
Retiree Events	1	20	40	1,335
Member Service Center	Daily	Daily	1,555	17,963
TOTALS	16	166	457	5,902



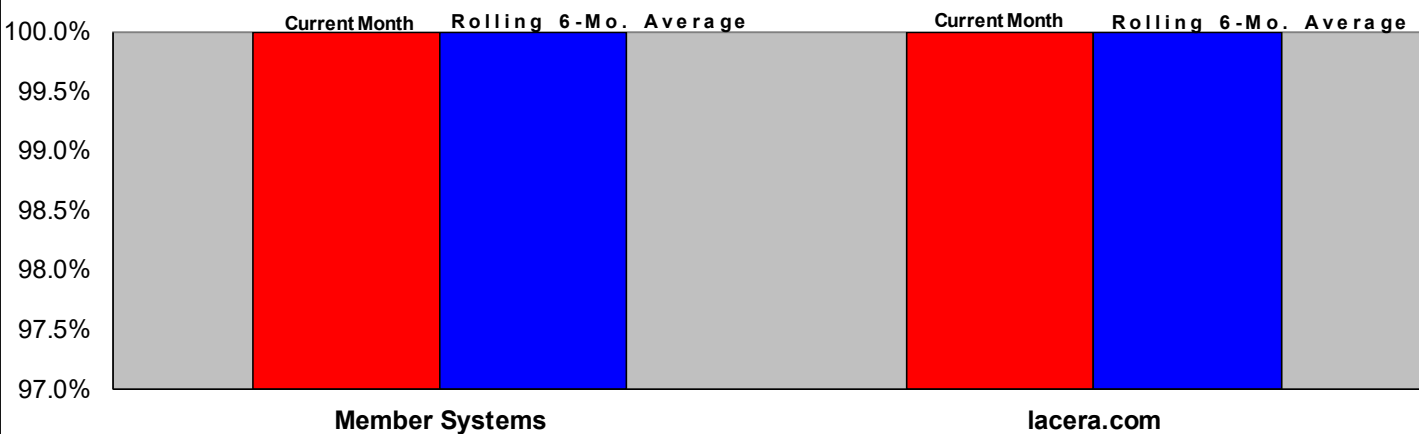
Member Services Contact Center			RHC Call Center	Top Calls
Overall Key Performance Indicator (KPI)	94.02%			
Category	Goal	Rating		
Call Center Monitoring Score	95%	92.53%	98%	<u>Member Services</u>
Grade of Service (80% in 60 seconds)	80%	64%	45%	1) Workshop Information\Appts.: Inquiry
Call Center Survey Score	90%	94.5%	xxxxx	2) Benefit Pmts.: Gen Inquiry/Payday Info
Agent Utilization Rate	65%	66%	81%	3) Retirement Counseling: Estimate
Number of Calls	10,723		4,522	<u>Retiree Health Care</u>
Number of Calls Answered	10,051		4,066	1) Medical Benefits - General Inquiries
Number of Calls Abandoned	672		455	2) Medical-New Enroll./Change/Cancel
Calls-Average Speed of Answer (hh:mm:ss)	00:01:35		00:03:17	3) Dental/Vision Benefits Gen. Inquiries
Number of Emails	307		187	
Emails-Average Response Time (hh:mm:ss)	4:19:12		(Days) 1	Adjusted for weekends

LACERA's KEY BUSINESS METRICS

Fiscal Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assets-Market Value	\$40.9	\$38.7	\$30.5	\$33.4	\$39.5	\$41.2	\$43.7	\$51.1	\$51.4	\$50.9
Funding Ratio	93.8%	94.5%	88.9%	83.3%	80.6%	76.8%	75.0%	79.5%	83.3%	79.4%
Investment Return	19.1%	-1.4%	-18.2%	11.8%	20.4%	0.3%	12.1%	16.8%	4.3%	1.1%

DISABILITY INVESTIGATIONS						
APPLICATIONS	TOTAL	YTD		APPEALS	TOTAL	YTD
On Hand	564	xxxxxxx		On Hand	125	xxxxxxx
Received	59	588		Received	4	34
Re-opened	0	1		Administratively Closed/Rule 32	3	28
To Board – Initial	34	433		Referee Recommendation	1	9
Closed	0	53		Revised/Reconsidered for Granting	0	11
In Process	589	589		In Process	125	125

SYSTEMS AVAILABILITY - JUNE 2017



Active Members as of 8/1/17		Retired Members/Survivors as of 8/1/17			Retired Members	
		Retirees	Survivors	Total		
General-Plan A	175	18,465	4,636	23,101	Monthly Payroll	263.21 Million
General-Plan B	62	689	66	755	Payroll YTD	3.1 Billion
General-Plan C	71	422	60	482	No. Monthly Added	229
General-Plan D	45,209	12,945	1,203	14,148	Seamless %	99.13%
General-Plan E	19,597	11,738	999	12,737	No. YTD Added	3,883
General-Plan G	19,512	8	0	8	Seamless YTD %	99.74%
Total General	84,626	44,267	6,964	51,231	Direct Deposit %	95.00%
Safety-Plan A	7	5,648	1,577	7,225		
Safety-Plan B	10,779	4,827	243	5,070		
Safety-Plan C	2,008	3	0	3		
Total Safety	12,794	10,478	1,820	12,298		
TOTAL ACTIVE	97,420	TOTAL RETIRED	54,745	8,784	63,529	

Health Care Program (YTD Totals)		
	Employer Amount	Member Amount
Medical	451,275,839	38,977,832
Dental	40,704,942	4,281,116
Med Part B	53,569,207	xxxxxxxxxx
Total Amount	\$545,549,988	\$43,258,948

Health Care Program Enrollments (Monthly)	
Medical	48,722
Dental	49,852
Med Part B	32,277
Long Term Care (LTC)	725

Funding Metrics as of 6/30/16	
Employer Normal Cost	9.97%
UAAL	9.73%
Assumed Rate	7.25%
Star Reserve	\$614 million
Total Assets	\$47.8 billion

Member Contributions as of 6/30/16	
Annual Additions	\$458.7 million
% of Payroll	6.65%


Employer Contributions as of 6/30/16	
Annual Addition	\$1,443.1 million
% of Payroll	19.70%

Date	Conference
September, 2017	
5-7	2017 Public Funds Forum San Diego, CA
6-7	Association for Asian American Investment Managers' National Conference New York, NY
11-15	Investment Strategies & Portfolio Management (<i>prev. Pension Fund & Investment Mgmt.</i>) Wharton School, University of Pennsylvania
13-15	Council of Institutional Investors (CII) Fall Conference San Diego, CA
24-28	AHIP (America's Health Insurance Plans) Medicare Conference Washington D.C.
25-27	Principles for Responsible Investment (PRI) in Person Berlin, Germany
25-28	ASIS 63 rd Annual Security Seminar Dallas, TX
25-28	SuperReturn Asia Conference and Summit Hong Kong
October, 2017	
16-18	PREA (Pension Real Estate Association) Annual Institutional Investor Real Estate Conference Chicago, IL
22-25	IFEBP (International Foundation of Employment Benefit Plans) Annual Employee Benefits Conference Las Vegas, NV
23-25	CRCEA (California Retired County Employees Association) Fall Conference Emeryville, CA
27	CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees DoubleTree Hotel San Jose
27	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits DoubleTree Hotel San Jose
29-November 1	NCPERS (National Conference on Public Employee Retirement Systems) Public Safety Employees Pension and Benefits Conference San Antonio, TX
November, 2017	
5-7	Pacific Pension Institute (PPI) Executive Seminar (PES) New Delhi, India



July 25, 2017

TO: Each Member
Board of Investments
Board of Retirement

FROM: Gregg Rademacher 
Chief Executive Officer

FOR: Board of Investments Meeting of August 9, 2017
Board of Retirement Meeting of August 10, 2017

SUBJECT: NACD Advanced Director Professionalism Foundation Course
December 4 – 5, 2017 in Miami, Florida

The National Association of Corporate Directors (NACD) is holding their Advanced Directors Professionalism Foundation Course event on December 4 – 5, 2017 at the St. Regis Bal Harbour in Miami, Florida. The highly interactive course will convene experienced directors looking to position themselves as lead directors, board and or committee chairs. Through panel discussions, committee chair and lead director training, workshops, and case studies with seasoned board leaders, you will benefit from real world and real-time insights to help you navigate critical board leadership challenges, build a high performance board, and effectively lead your board and committees. Small-group peer exchanges will simultaneously deepen and display your expertise while you make new connections with experienced directors from a wide range of industries.

The main course highlights include the following:

- A Year in the Life of Your Board: Planning and Pivoting
- Enhancing Compliance and Ethics Oversight
- The Future of Shareholder Activism
- Strategy from a Board Perspective
- Onboarding Essentials

Successfully completing this Foundation Course serves as a prerequisite toward earning a NACD Board Leadership Fellowship. To participate in the NACD Fellowship program, course participants must join the NACD with an annual membership. While a LACERA Board membership is available, it is not cost effective if less than 10 Board members participate, and as such, an \$875 Individual NACD Membership will be requested with each registration if the Board member is not already a NACD member.

The NACD Foundation Course meets LACERA's policy of an average of five (5) hours of substantive educational content per day. The hotel group rate at the St. Regis Bal Harbour hotel is \$339.00 per night plus applicable taxes and the registration fee is \$5,395. If the Board member attending is not currently a NACD member, the NACD Individual Director Membership fee is \$875.00.

If the registration fee is insufficient to pay the cost of the meals provided by the conference sponsor, LACERA must reimburse the sponsor for the actual cost of the meals, less any registration fee paid. Otherwise, the attendee will be deemed to have received a gift equal to the value of the meals, less any registration fee paid, under California's Political Reform Act.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

Approve attendance of Board members at NACD's Advanced Director Professionalism Foundation Course on December 4 – 5, 2017 in Miami, Florida, approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy, and approve the payment of NACD Individual Director Membership fees.

GR/lg

Attachment

NACD *Advanced Director Professionalism*[®] Agenda

December 4–5, 2017 | St. Regis Bal Harbour | Miami, FL

Day 1 – Monday, December 4

7:00 a.m. – 8:00 a.m. **Registration and Breakfast**

8:00 a.m. – 8:15 a.m. **Program Welcome and Overview**

In the spirit of helping corporate directors foster boardroom cultures that are focused on continuous improvement, long-term value creation, and strengthening investor trust and public confidence, NACD has established the standard for director education. NACD's Director Education Framework maps core responsibilities of the board to critical areas of director knowledge that are essential to a director's ability to lead with confidence in the boardroom. These responsibilities range from board governance and structure to ongoing board activities, shareholder considerations, and emerging issues. These core responsibilities will provide a framework for your continuing education as we discuss a multitude of boardroom issues over the next two days. NACD'S standard is incorporated throughout our foundation courses and creates the most comprehensive director knowledge pathway—from awareness to insights to mastery.

8:15 a.m. – 9:45 a.m. **Case Study: A Price Worth Paying?**

Using the dramatic film, *A Price Worth Paying?*, as a case study, we will walk through a series of governance crises facing a board. We will view the film in several parts, with a guided discussion after each segment. The film will serve as a shared example to illustrate those core boardroom operations and responsibilities that we will take a deeper dive into during this course. Key topics include

- Executive compensation
- Risk evaluation of acquisitions in emerging markets
- Scope of responsibilities of the audit committee
- Responding to whistleblower allegations



Martin M. Coyne II

Director and Chairman of the Nominating and Governance Committee, RainDance Technologies; Chairman and Founder, CEO Learning Network; Director, EyeNuk; Chairman and CEO, NACD New Jersey Chapter

9:45 a.m. – 10:00 a.m. **Networking Break**

10:00 a.m. – 11:15 a.m. **Onboarding Essentials**

When a director joins a new board he or she will likely have many questions, despite previous board experience. In fact, savvy directors begin asking questions at the start of the recruiting process and continue to ask them through the onboarding process and beyond. This natural inquisitiveness will prove indispensable, since many challenges to new board members include receiving what seems like too much information and a lack of understanding around what truly matters for the health of the enterprise. In this session, nominating and governance chairs will share leading onboarding practices based on four cornerstones of an effective onboarding framework. Key topics include

- Boardroom practices and dynamics
- Role of the nominating and governance chair
- Clarifying your role on the board (why were you hired?)



Dona D. Young

Lead Independent Director, Foot Locker Inc.; Director, Aegon N.V., Saint James School, Save the Children

11:15 a.m. – 11:30 a.m. **Networking Break**

11:30 a.m. – 12:45 p.m.

A Year in the Life of Your Board: Planning and Pivoting

While it may sound cliché to say the work of a director is a part-time job with full-time responsibilities, most board members would be quick to nod their heads in agreement with that statement. And that list of responsibilities is growing continuously as the risks and opportunities that companies face evolve, underscoring how important your board meetings are to the health and sustainability of your company. How do you ensure your meetings are making appropriate use of available time, that you are covering the necessary topics, and that you have access to information and sources critical to decision making? Key topics include

- Building the agenda
- Setting board priorities
- Meeting efficiency



Robert M. Galford

Compensation and Nominating and Governance Committee Chair, Forrester Research; Managing Partner, Center for Leading Organizations



Mary Beth Vitale

Director, Chair, Nominating and Governance Committee, CoBiz Financial Inc.; Director, Chair, Risk and Technology Committee, GEHA; Co-Chair, Women Corporate Directors: Colorado Chapter

12:45 p.m. – 2:00 p.m.

Networking Lunch

2:00 p.m. – 3:00 p.m.

Enhancing Compliance and Ethics Oversight

While there is no shortage of risks that require a high level of oversight, one that deserves increased attention is the company's corporate compliance and ethics program. A robust program is essential to preventing, detecting, and mitigating the risk of individual wrongdoing. This session will provide an overview of the role of the board in compliance oversight and outlines key questions directors can ask management which will help the board to assess whether their company's compliance and ethics programs have a real impact on business conduct. Key topics include

- Roles and responsibilities of a director in overseeing compliance and ethics
- Regulatory guidelines pertaining to corporate compliance and ethics programs
- Assessing the effectiveness of corporate compliance and ethics programs



Andrea Bonime-Blanc

Director, Epic Theatre Ensemble, Corporate Excellence - Centre for Reputation Leadership (Madrid), Research Centre of Governance, Sustainability and Reputation (IE Business School); CEO & Founder, GEC Risk Advisory



Robert E. Bostrom

Director, Neulion Inc.; SVP, General Counsel, Secretary, Abercrombie & Fitch



Myrna Soto

Director, Spirit Airlines Inc., CMS Energy Corp.; Senior Vice President and Global CISO, Comcast Corp.

3:00 p.m. – 3:15 p.m.

Networking Break

3:15 p.m. – 4:15 p.m.

The Future of Shareholder Activism

The resurgence of shareholder activism is requiring boards to seriously evaluate their readiness to respond to an increasing number of shareholder demands. Activist campaigns frequently impact or push for M&A transactions and the potential for such a campaign requires all companies to have sound corporate governance practices and a readiness plan in place. Learn about what areas of vulnerability could make your company a potential target, the best practices to prepare for activism, and what other resources are available to directors to do their jobs effectively if a known activist builds a position in your company. Key topics include

- Activist focus on corporate governance vs. strategic, operational, and management changes
- Impact of activism on board-shareholder communications
- Steps directors can take to prepare for shareholder activism



Jean Birch

Chair of the Board and Nominating and Governance Committee, Papa Murphy's Holdings Inc.; Chair, Compensation Committee, Cosi Inc.; Director, Children's Miracle Network Hospitals

4:30 p.m. – 6:00 p.m.

Networking Reception

6:00 p.m. – 8:00 p.m.

OPTIONAL PEER EXCHANGE DINNERS

Space is limited. Advanced registration is required.

Cyber Risk

Join an interactive discussion with industry experts to discuss emerging issues in cybersecurity and cyber risk. Key topics include

- Working with management to understand the risks and liability profile for your company
- Implementing technology security solutions to protect your company's most valuable assets
- Establishing an enterprise-wide cybersecurity culture
- Fostering resiliency by assessing individual company risk

Day 2 – Tuesday, December 5

7:00 a.m. – 8:00 a.m.

Breakfast

8:00 a.m. – 9:00 a.m.

Perspectives on the Horizon

The business environment is changing in historic and profound ways—competition, technology, innovation, geopolitics, demographics, the environment, and the balance of global economic power are constantly shifting. Successfully navigating through this tumult toward long-term value creation is every leader’s greatest challenge today. We’ll hear from thought leaders and disruptors working on the leading edge of the new horizon, who will provide their insights to help guide your strategic thinking. Key topics include

- Risks and opportunities brought about by disruption



James Lam

Director and Chairman of the Risk Oversight Committee,
E*TRADE Financial Corp.; President, James Lam & Associates

9:00 a.m. – 9:15 a.m.

Networking Break

9:15 a.m. – 10:15 a.m.

Corporate Turnarounds and Transformations

Many companies will face a turnaround at some point in their life cycle. A turnaround can be brought on by a sudden crisis, a shift in the economic or competitive landscape, or simply the need to review and revamp internal processes. Seasoned directors and subject-matter experts who have experienced turnarounds discuss the critical role the board plays—through strategy oversight, planning, and key financial decision making—in helping the company through turbulent times. Their practical takeaways will not only give you tools to help you weather the storm once a turnaround begins, but also will help you to prepare your company for a turnaround while the skies are still clear. Key topics include

- How a board can act as an early alert system to management
- The role of a chief restructuring officer and how to determine if you need one
- Board composition moving forward



Colleen Brown

Chair, American Apparel Inc., Mobile500 Alliance; Vice Chair, Washington Roundtable; Director, TrueBlue Inc., Open Mobile Video Coalition, United Way of King County, DataSphere Technologies Inc.



William E. McCracken

Director, NACD; Chairman, Lutheran Social Ministries of New Jersey;
President, Executive Consulting Group; Former CEO, CA Technologies

10:15 a.m. – 10:30 a.m.

Networking Break

10:30 a.m. – 11:45 a.m. **Talent Oversight**

The role of the board in talent oversight is crucial in ensuring long-term sustainability for the organization. While CEO succession planning is undoubtedly one of the most critical jobs a board has, there is a broader role for the board to play in talent programs. As globalization, digitization, and demographic shifts continue to reshape business, the gap between talent needs and talent resources often widens, and the board must ensure that the company's talent development efforts support its strategy and risk profile. Key topics include

- The role of the board and its standing committees in overseeing talent development and retention
- Elements of an effective talent development program
- Ongoing assessment and reporting on the company's talent development efforts.
- CEO and C-level succession



Sheila Stamps

Independent Director, CIT Group Inc.; Audit Committee Chair, New York State Insurance Fund; Director, IES Abroad

11:45 a.m. – 12:00 p.m. **Networking Break**

12:00 p.m. – 12:45 p.m. **Strategy from a Board Perspective**

Think of the board as your corporate strategy's mechanic. The directors are there to kick the tires on the current strategy and determine if it needs to be tuned up, overhauled, or scrapped completely. In addition to assessing the current strategy, directors and management must also take into account the emergence of new risks—ranging from economic volatility to geopolitical tensions to the rise of new competitors—any of which could dramatically shift your company's strategy. Key topics include

- Adjusting strategy when disruption hits
- The board's active involvement in the strategy-setting process
- The board's ability to test management assumptions underlying strategy



D'Anne Hurd

Director, Pax World Funds; Audit Chair, Peckham Industries Inc.; Board Chair, Monzite Corp.; Former Lead Independent Director, Hiperos LLC, Micronetics Inc. (NOIZ); CEO, Crawford Consulting

12:45 p.m. – 1:45 p.m. **Networking Lunch**

1:45 p.m. – 3:15 p.m. **Lead Director and Key Committee Training**

Serving as the lead director or key committee chair of the board is a tremendous responsibility and not one that should be taken lightly. These leaders must be objective, skilled in building relationships and facilitating dialogue, and be willing to address tough issues in a constructive manner.

Lead Director Training

The right leadership is critical to board effectiveness. Explore recommendations from *Report of the NACD Blue Ribbon Commission on The Effective Lead Director*. Examine ways in which you can enhance communication and performance across the board and company, ensuring board independence, fortitude, and effectiveness along the way.



Martin M. Coyne II

Director and Chairman of the Nominating and Governance Committee, RainDance Technologies; Chairman and Founder, CEO Learning Network; Director, EyeNuk; Chairman and CEO, NACD New Jersey Chapter

Key Committee Chair Training

Are you in line to become a committee chair? Learn directly from seasoned committee chairs how to get the most from the talent on your committee, what information you should share with the full board, how to establish a collegial committee environment, and other leading practices.

Audit



Howard Brod Brownstein

Director, NHS Human Services, Inc., A. M. Castle & Co., P&F Industries, Inc.; President, NACD Philadelphia Chapter; Former Audit Committee Chair, PICO Holdings Inc.; President, The Brownstein Corp.

Compensation



Daniel Kaufman

Lead Consultant, Meridian Compensation Partners LLC



Gerard Leider

Partner, Meridian Compensation Partners LLC

Nominating and Governance



Steven R. Walker

General Counsel, Managing Director of Board Advisory and Recruitment Services, NACD; Director, ContractRoom, Objective Interface Systems



Dona D. Young

Lead Independent Director, Foot Locker Inc.; Director, Aegon N.V., Saint James School, Save the Children

3:15 p.m.

Program Adjourns


Reserve your seat today ►

Attendance at the entire course is mandatory for NACD Fellowship® credit. Please make your travel plans accordingly.



July 25, 2017

TO: Each Member
Board of Retirement

FROM: Gregg Rademacher 
Chief Executive Officer

FOR: Board of Retirement Meeting of August 10, 2017

SUBJECT: Intelligence Support Systems World America's Conference
September 11–13, 2017 in Washington, D.C.

The Intelligence Support Systems World America's Conference will be held on September 11 - 13, 2017 in Washington D.C. at the Bethesda North Marriott Hotel & Conference Center. The program presents the methodologies and tools for Public Safety and Government Intelligence Communities in the fight against criminal activities conducted over today's Telecommunications networks, the Internet and Social Networks.

The main conference highlights include the following:

- Advanced Hi-Tech, Cyber Investigation Training Seminars
- Automated Cyber Threat Intelligence Analysis and Management
- Social Network Monitoring and Data Analytics Product Training
- Mobile Threat Intelligence Solutions for Network Security

The conference meets LACERA's policy of an average of five (5) hours of substantive educational content per day. The standard hotel rate at the Bethesda North Marriott Hotel is \$214.00 per night plus applicable taxes and the registration fee is \$1,295.00.

If the registration fee is insufficient to pay the cost of the meals provided by the conference sponsor, LACERA must reimburse the sponsor for the actual cost of the meals, less any registration fee paid. Otherwise, the attendee will be deemed to have received a gift equal to the value of the meals, less any registration fee paid, under California's Political Reform Act.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

Approve attendance of Board members at the Intelligence Support Systems World America's Conference on September 11–13, 2017 in Washington, D.C. and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.

GR/lg
Attachment

TeleStrategies®

ISSWorld® Americas

Intelligence Support Systems for Real-Time Threat Intelligence Gathering,
Cyber Security and Cyber Crime Investigations

SEPTEMBER 11-13, 2017 • WASHINGTON DC



Exhibiting Sponsors and Supporting Companies



To Review Complete Agenda or To Register, Go To WWW.ISSWORLDTRAINING.COM

SEPTEMBER 11-13, 2017 • WASHINGTON DC

ISS World America is the world's largest gathering of Americas Law Enforcement, Homeland Security, Defense, Public Safety and other members of the Government Intelligence Community as well as Telecom Operators responsible for cyber threat intelligence gathering, DarkNet monitoring, lawful interception and cybercrime investigations.

ISS World Programs present the methodologies and tools for Law Enforcement, Public Safety and Government Intelligence Communities in the fight against drug trafficking, cyber money laundering, human trafficking, terrorism and other criminal activities conducted over today's Telecommunications networks, the Internet and Social Networks.

Track 1

Advanced Hi-Tech, Cyber Investigation Training Seminars

Track 2

Automated Cyber Threat Intelligence Analysis and Management

Track 3

Investigating DarkNets and Associated Bitcoin Transactions

Track 4

Lawful Interception and Hi-Tech Criminal Investigations

Track 5

LEA, Defense and Interior Security Intercept Product Training

Track 6

Social Network Monitoring and Data Analytics Product Training

Track 7

Mobile Threat Intelligence Solutions for Network Security

ISS World America Exhibit Hours

Tuesday, September 12, 2017:
10:00 AM-6:00 PM

Wednesday, September 13, 2017:
9:30 AM-12:00 PM

ISS World Americas 2017 - Agenda at a Glance

Track 1

Advanced Hi-Tech, Cyber Investigation Training Seminars

Training Seminars Led by Law Enforcement Officers and Ph.D Computer Scientists

35 classroom training hours, presented by sworn law enforcement officers, Ph.D. Computer Scientists and nationally recognized cybercrime textbook authors and instructors. Distinguished ISS World Training Instructors include:

- **Charles Cohen**, Cohen Training and Consulting, LLC, also holds the position of Captain, **Indiana State Police** (6 classroom hours)
- **Mark Bentley**, Communications Data Expert, National Cyber Crime Law Enforcement, **UK Police** (6 classroom hours)
- **Todd G. Shipley** CFE, CFCE, President and CEO of Vere Software, Co-Author of , Investigating Internet Crimes: An Introduction to Solving Crimes in Cyberspace and retired officer, **Reno NV, Police Department** (6 classroom hours)
- **Breck McDaniel** Geocell and retired Sergeant, **Houston Police Department** (5 classroom hours)
- **Matthew Lucas** (Ph.D., Computer Science), Vice President, **TeleStrategies** (5 classroom hours)
- **Jerry Lucas** (Ph.D., Physics), President, **TeleStrategies** (7 classroom hours)
-

Monday, September 11, 2017

Seminar #1

9:00-5:00 PM

Online Social Media and Internet Investigations

- Presented by Charles Cohen, Cohen Training and Consulting, LLC Charles Cohen also holds the position of Captain, **Indiana State Police**

This one day session provides an up-to-date understanding of how social networking sites work and how members act and interact. Attendees will learn what information is available on various sites and how to integrate that information into criminal investigations and criminal intelligence analysis.

09:00-10:00 AM

Understanding Cell Handset Geolocation: What Investigators Need to Know

10:15-11:15 AM

Open Source Intelligence (OSINT) Collection Tools: Creating an Inexpensive OSINT Toolbox

11:30-12:30 PM

Metadata Exploitation in Criminal Investigations

1:30-2:30 PM

Conducting Covert Online Observation and Infiltration Activities: Challenges and Opportunities for Investigators

2:45-3:45 PM

Proxies, VPNs, Tor, Onion Routers, Deepnet, and Darknet: A Deep Dive for Criminal Investigators

4:00-5:00 PM

Proxies, VPNs, Tor, Onion Routers, Deepnet, and Darknet: A Deep Dive for Criminal Investigators (continued)

Seminar #2

9:00-5:00 PM

Practitioners Guide to Internet Investigations

- Presented by: Mark Bentley, Communications Data Expert, National Cyber Crime Law Enforcement, **UK Police**

The aim of this 1 day seminar is to take the attendees from the basics of understanding the Internet, how to find data, through to a full understanding of best practice of an Internet investigator, having awareness and knowledge of all the tools available to achieve this. It is aimed primarily at the investigator, delivered from the perspective of detective, to empower them to have the best methodology and tradecraft to profile and catch suspects.

This is exclusively Law Enforcement Attendees only, as Practical examples, covert and investigative methodology and tradecraft will be given throughout the seminar.

9:00-10:00 AM

The Internet, and how suspects leave a digital footprint

SEPTEMBER 11-13, 2017 • WASHINGTON DC

10:15-11:15 AM

Recognizing Traffic Data and digital profiling

11:30 AM-12:30 PM

WiFi, geolocation, and Mobile Data traces

1:30-2:30 PM

Awareness of Emerging Technologies, Masking Tech and Tools, TOR and proxies

2:45-3:45 PM

Advanced Techniques in Tracing Suspects and lateral problem solving

4:00-5:00 PM

Open source tools, resources and techniques

Seminar #3

9:00-5:00 PM

A Real World Look at Investigations in the Dark Web

- Presented by: Todd G. Shipley CFE, CFCE, President and CEO of Vere Software, Co-Author of , Investigating Internet Crimes: An Introduction to Solving Crimes in Cyberspace and retired investigator, **Reno NV, Police Department**

The aim of this 1 day seminar is to take the attendees from the basics of understanding the Dark Web, how to access it to how to finding information hidden within it. The attendees will learn the best practices for the internet investigator when working in the Deep Web and the tools available to assist their investigations into the Deep Web.

This exclusively Law Enforcement attendees only, as Practical examples, covert and investigative methods will be given throughout the seminar.

09:00-10:00 AM

The Dark Web, what it is and what it is not

10:15-11:15 AM

To Tor or not to Tor

11:30 AM-12:30 PM

CryptoCurrency and its use in the Dark Web

1:30-2:30 PM

Going Undercover on the Dark Web

2:45-3:45 PM

Using web bugs and other technology to locate a suspect

4:00-5:00 PM

Advanced Dark Web Investigations, identifying the anonymous user

Seminar #4

9:00-12:30 PM

Understanding ISS Product Deployments in Telecommunication Networks for Lawful Interception and Mass Surveillance

- Presented by: Dr. Jerry Lucas, President, **TeleStrategies**

This half-day seminar covers what law enforcement and intelligence analysts need to understand about today's public telecommunications wireline and wireless networks as well as ISS technologies and products used to lawfully intercept electronic communications and conduct mass network surveillance as discussed at ISS World Conference sessions and by exhibitors.

9:00-10:00 AM

Introduction to Wirelines and IP Infrastructure and Related ISS Products for Lawful Interception and Mass Surveillance

10:15-11:15 AM

Understanding Mobile Wireless Infrastructure, and Related ISS Products for Lawful Interception and Mass Surveillance

11:30 AM - 12:30 PM

Understanding the Internet Over-the-Top (OTT) Services and Related ISS Products for Mass Intelligence Gathering and Surveillance

Seminar #5

9:00 AM-3:45 PM

Cell Phone Investigations

- Presented by: Breck McDaniel, Geocell and Retired Sergeant, **Houston Police Department**

This seminar covers the communications investigations involving cell phone call data analysis, where data can be found, search warrants, subpoena, working with cellular phone companies and more.

9:00-10:00

Introduction; what are we going to cover

10:15-11:15

How is the data used?

11:30-12:30

Legal thoughts: Manual searches?

1:30-2:30

Cell phone forensics: important considerations

2:45-3:45

Getting your hands on the data

Seminar #6

1:30-2:30 PM

Introduction to Cryptography

- Presented by: Matthew Lucas (Ph.D., Computer Science), Vice President, **TeleStrategies**

This session covers the basics of cryptography for law enforcement and intelligence analysts who must understand encryption:

Symmetric Key Block (AES, 3DES & RC4), Public Key (RSA, DH & ECC), (SHA-1, 2 & 3), Certificates and CA's, SSL vs. TLS (What's the difference?), Wi-Fi Security, IPsec, IKE and more of the basics

Tuesday, September 12, 2017

Seminar #7

9:00-10:00 AM

Bitcoin 101: Introduction to What Technical Investigators Need to Know about Bitcoin Transactions, Dark Web Commerce and Blockchain Analysis

- Presented by: Matthew Lucas (Ph.D., Computer Science), Vice President, **TeleStrategies**

This 101 training seminar is an introduction to Bitcoin, how the system is used to support criminal activities (e.g. Dark Web) and why technical investigators need to understand the basic Bitcoin transaction mechanism (Blockchain) to successfully defeat 21st century criminals and terrorist actions. Specifically, this introduction to Bitcoin for technical investigators addresses

Seminar #8

1:30-2:30

SS7 Vulnerabilities and Intercept Options

- Presented by: Dr. Jerry Lucas, President, **TeleStrategies** and a Distinguished Telecom Technology Expert to be announced

There are two very important aspects of telco SS7 infrastructure law enforcement and interior security needs to understand. For law enforcement: you can locate and track a target anywhere in the world if they just turn on their cell phone. For Interior Security: large scale distributed denial of service attacks over SS7 can completely take down today's telecom networks.

Seminar #9

3:00-4:00

Intercept Implications of 4G/5G Diameter Signaling Replacing SS7

- Presented by: Dr. Jerry Lucas, President, **TeleStrategies** and a Distinguished Telecom Technology Expert to be announced

As telecom service providers transition to IP based VoLTE and introduce 5G, SS7 will be replaced with diameter signaling. This session provides the technical basics of diameter, options for transitioning SS7 to diameter and the new challenges facing law enforcement.

Seminar #10

4:15-5:15 PM

The Implications of multi-IMSI and OTA for Law Enforcement and the Government Intelligence Community

- Presented by Dr. Jerry Lucas, President, **TeleStrategies** and a Distinguished Telecom Technology Expert to be announced

The era of SIM Cards with static IMSIs issued by cellular operators is changing. Deployment of multi-IMSI as well as network programmable (OTA) SIM cards will create new challenges for law enforcement. This session looks at the implications of multi-SIM and OTA for LEAs and Intel analysts

Wednesday, September 13, 2017

Seminar #11

9:00-10:00 AM

Investigation Techniques for Unmasking TOR Hidden Services and Other Dark Web Operations

- Presented by: Matthew Lucas (Ph.D., Computer Science), Vice President, **TeleStrategies**

There are on-line services that leverage TOR's anonymizing capabilities to mask the identity of criminally-hosted online services - forming the basis of just about all illegal gambling sites, drug markets, child exploitation material, firearm sales, terrorism propaganda, and more. This session addresses successful investigators techniques for unmasking TOR hidden services and other Dark Web operations.

Seminar #12

9:00-10:00 AM

Quantum Computing and Defeating Encryption: Myths vs. Realities for Cyber Security Decision Makers

- Presented by: Dr. Jerry Lucas, President, **TeleStrategies**

The sole reason nation state governments are investing billions of dollars in quantum computing development is to defeat today's crypto systems. On the otherhand the sole reason nation state governments as well as the venture capital community are investing in quantum safe cryptograph is to defeat quantum computers. If you have responsibilities for sifting through the myths and realities of quantum computing and/or quantum safe cryptography product readiness

claims but don't have a degree in physics nor math, this session is for you.

Seminar #13

11:00 AM - 12:00 PM

Defeating Network Encryption: What Law Enforcement and The Intelligence Community Needs to Understand

- Presented by: Matthew Lucas (Ph.D., Computer Science), Vice President, **TeleStrategies**

The starting point to defeating encryption is to separate techniques addressing stored encrypted data such as with the Apple iPhone issue. The other challenge is defeating encrypted data in transit (e.g. Telegram, Whatsapp, etc.) or Network Encryption. This seminar addresses successful techniques to defeat network encryption including cellular, Wi-Fi, MITM attacks, IT Intrusion and more.

Tuesday, September 12, 2017

8:15-8:30 AM

Welcoming Remarks

- Tatiana Lucas, ISS World Program Director, **TeleStrategies**

8:30-9:00 AM

Top Ten Internet Challenges Facing Law Enforcement, the Intelligence Community and Government Cyber Security and Who at ISS World America has Solutions

- Dr. Jerry Lucas, President, **TeleStrategies**

Track 2

Automated Cyber Threat Intelligence Analysis and Management

Tuesday, September 12, 2017

9:00-10:00 AM

Demystifying the Dark Web through Automated Data Monitoring, Collection and Intelligence Production

- Avi Kaztan, CEO, **SixGill**

11:30 AM-12:30 PM

Proactive Dark Web Data Intelligence with Matchlight

- Danny Rogers, CEO, **Terbium Labs**

1:30-2:00 PM

Threat Correlation Automation leveraging STIX/TAXII Version 2

- Allan Thomson, CTO, **LookingGlass**

1:30-2:30 PM Session B

Not all SSL "Break and Inspect" Solutions are Created Equally

- James Schweitzer, Senior Systems Engineer, **A10**

Wednesday, September 13, 2017

11:30 AM-12:30 PM

Case Studies in Dark Web Investigations - from Financial Fraud to Supply Chain Risk

- Joe Saunders, Chief Operations Officer, **Sovereign Intelligence**

Track 3

Investigating Dark Nets and Associated Bitcoin Transactions

Monday, September 11, 2017

9:00 AM-5:00 PM

A Real World Look at Investigations in the Dark Web

The aim of this 1 day seminar is to take the attendees from the basics of understanding the Dark Web, how to access it to how to finding information hidden within it. The attendees will learn the best practices for the internet investigator when working in the Deep Web and the tools available to assist their investigations into the Deep Web.

This exclusively Law Enforcement attendees only, as Practical examples, covert and investigative methods will be given throughout the seminar.

- Presented by: Todd G. Shipley CFE, CFCE, President and CEO of Vere Software, Co-Author of , Investigating Internet Crimes: An Introduction to Solving Crimes in Cyberspace and retired investigator, **Reno NV, Police Department**

Tuesday, September 12, 2017

9:00-10:00 AM

Bitcoin 101: Introduction to What Technical Investigators Need to Know about Bitcoin Transactions, Dark Web Commerce and Blockchain Analysis

- Matthew Lucas (Ph.D., Computer Science), Vice President, **TeleStrategies**

1:30-5:00 PM

Special Half Day DarkNet Seminar by Andrew Lewman, Vice President, OWL Cybersecurity and Former Exectuive Diretor, The TOR Project

1:30-2:30

Owl DarkNet Index Product

This Owl Vision platform allows you to access the world's largest database of DarkNet to monitor for the presence of your data on the darknet and shorten the timeframe to its detection. OWL DarkNet Index is a scalable solution to allow users to select a best fit for an organization.

- Presented by: Andrew Lewman, Vice President, **OWL Cybersecurity**

2:45-3:45

TOR 2.0: What's next for TOR, TOR HSs and DarkNet Operations...and the implications for Law Enforcement, Cybersecurity and Enterprise Data Protection

TOR has been referred to as the "king" of anonymity protocols. It is -- providing a safe Internet haven not just for journalists and privacy advocates, but also for criminals, terrorists, extortion schemes, black market operations, drug sales, child exploitation, and every other kind of illegal activity on the net. This session will look at "what's next" for TOR. How will the protocol and community evolve? Who will drive the initiative going forward? How will the TOR relay network continue to evade law enforcement? What's next for TOR hidden services? What new ways might the criminal community leverage TOR going forward? And, most importantly, what can (and should) law enforcement and enterprises be doing from an investigative toolset and operations perspective to counter TOR 2.0.

- Presented by: Andrew Lewman, Vice President, **OWL Cybersecurity**

4:00-5:00

Review of non-TOR DarkNets and Their Futures

- Presented by: Andrew Lewman, Vice President, **OWL Cybersecurity**

1:30-5:00 PM

Special Half Day Bitcoin Cluster Analysis Seminar Presented by Jonathan Levin, Co-Founder, Chainalysis

1:30-2:30

Bringing Transparency to Bitcoin transactions

This presentation will outline the cutting edge analysis techniques that Chainalysis employs to cluster Bitcoin addresses together and the different attribution strategies employed. Finally, using an example we will walk through a typical path an investigation may follow to get to a real world person.

- Jonathan Levin, Co-Founder, **Chainalysis**

3:00-5:00

Case Studies: Blockchain analysis in action

A case study focused presentation outlining the major threat actors and the anonymization techniques employed. Will step through some investigations outlining how to get leads in cases or look for corroborative evidence. Finally, will step through some best practice when searching for Blockchain evidence, minimising the time wasted during an investigation.

- Jonathan Levin, Co-Founder, **Chainalysis**

Wednesday, September 13, 2017

9:00-10:00 AM

Investigation Techniques for Unmasking TOR Hidden Services and Other Dark Web Operations

- Matthew Lucas (Ph.D., Computer Science), Vice President, **TeleStrategies**

11:00 AM-12:00 PM

Case Studies in Dark Web Investigations - from Financial Fraud to Supply Chain Risk

- Joe Saunders, Chief Operations Officer, **Sovereign Intelligence**

Track 4

Lawful Interception and Hi-Tech Criminal Investigation

Tuesday, September 12, 2017

11:30 AM-12:00 PM

Lawful Intercept and Investigatory Insights from the Internet of Things (IoT)

- Yaana Technologies presenter to be announced

1:30-2:30 PM

SS7 Vulnerabilities and Intercept Options

- Dr. Jerry Lucas, President, **TeleStrategies** and a **Distinguished Telecom Technology Expert** to be announced

3:00-4:00 PM

Intercept Implications of 4G/5G Diameter Signaling Replacing SS7

- Dr. Jerry Lucas, President, **TeleStrategies** and a **Distinguished Telecom Technology Expert** to be announced

4:15-5:15 PM

The Implications of multi-IMSI and OTA for Law Enforcement and the Government Intelligence Community

- Dr. Jerry Lucas, President, **TeleStrategies** and a **Distinguished Telecom Technology Expert** to be announced

Wednesday, September 13, 2017

9:00-10:00 AM

Investigation Techniques for Unmasking TOR Hidden Services and Other Dark Web Operations

- Matthew Lucas (Ph.D., Computer Science), Vice President, **TeleStrategies**

11:00 AM-12:00 PM

Defeating Network Encryption: What Law Enforcement and The Intelligence Community Needs to Understand

- Matthew Lucas (Ph.D., Computer Science), Vice President, **TeleStrategies**

Track 5

LEA, Defense and Intelligence Analyst Training and Product Demonstrations

Track sessions are for LEA and Other Government Attendees Only

Monday, September 11, 2017 Online Social Media and Internet Investigations

This one day session provides an up-to-date understanding of how social networking sites work and how members act and interact. Attendees will learn what information is available on various sites and how to integrate that information into criminal investigations and criminal intelligence analysis.

- Charles Cohen, and Captain Indiana State Police, **Cohen Training and Consulting, LLC**

9:00 AM-5:00 PM

Practitioners Guide to Internet Investigations

The aim of this 1 day seminar is to take the attendees from the basics of understanding the Internet, how to find data, through to a full understanding of best practice of an Internet investigator, having awareness and knowledge of all the tools available to achieve this. It is aimed primarily at the investigator, delivered from the perspective of detective, to empower them to have the best methodology and tradecraft to profile and catch suspects.

This is exclusively Law Enforcement Attendees only, as Practical examples, covert and investigative methodology and tradecraft will be given throughout the seminar.

- Presented by: Mark Bentley, Communications Data Expert, National Cyber Crime Law Enforcement, **UK Police**

Tuesday, September 12, 2017

9:00-10:00 AM

Delivering a National Scale Data Intelligence Capability

- **BAE Systems Applied Intelligence** presenter to be announced

11:30 AM-12:30 PM

The New Forensic Investigator Toolbox: from Tactical to Open Source Investigations

- **AREA** presenter to be announced

1:30-2:30 PM

IP Address Resolution - Breaking the Anonymity of Network Address Translation

- **Yaana Technologies** presenter to be announced

3:00-4:00 PM

Post Trojan Infiltration: The new Digital Undercover Agent

- Marco Braccioli, Senior Vice President and Emanuele Marcozzi, Presales Engineer, **AREA**

Wednesday, September 13, 2017

New challenge Network Monitoring: IPv4 disambiguation and rich metadata SIGINT in the age of encryption

- AREA presenter to be announced

Track 6

Social Network Monitoring and Big Data Analytics Product Demonstrations

Monday, September 11, 2017

9:00 AM-5:00 PM

Online Social Media and Internet Investigations

This one day session provides an up-to-date understanding of how social networking sites work and how members act and interact. Attendees will learn what information is available on various sites and how to integrate that information into criminal investigations and criminal intelligence analysis.

- Charles Cohen, and Captain Indiana State Police, **Cohen Training and Consulting, LLC**

Tuesday, September 12, 2017

11:30 AM-12:30 PM

Cyber Security: The Role of Government

- BAE Systems Applied Intelligence presenter to be announced

1:30-2:30 PM

Threat Actor Profiling: Gaining Targeted Intel on Cyber Criminals

- Avi Kaztan, CEO, **Cybersixgill**

4:15-5:15 PM

Finding the Critical Needle in the Multi-Media Haystack by Combing Speaker ID, Word Spotting, Facial Recognition and More

- Donna Rober, CEO, **Second Wind Consulting** and Retired Technical Director, **NSA**

Wednesday, September 13, 2017

9:00-10:00 AM

Advanced Analytics for Law Enforcement

- Yaana Technologies presenter to be announced

11:00 AM-12:00 PM

Case Studies in Dark Web Investigations - from Financial Fraud to Supply Chain Risk

- Joe Saunders, Chief Operations Officer, **Sovereign Intelligence**

Track 7

Mobile Threat Intelligence Solutions for Network Security

Tuesday, September 12, 2017

11:30 AM-12:30 PM

Deployment of Communication and Security Policies and then Enforcing them within the Workforce

As electronic communication shifts to mobile-first, what should organizations be thinking about to help secure phone calls, text messages, and information that resides on those mobile devices. What technologies and policies the companies are using to secure their everyday communications.

- Sean Moshir, Co-Founder, CEO and Chairman, **CellTrust**

1:30-2:30 PM

Mobile Threat Investigation and Mitigation Techniques

- Scott Gordon (CISSP), Chief Marketing Officer, **RiskIQ**

3:00-4:00 PM

Criteria for Selecting a Mobile Threat Intelligence Solution for Government Network Security

- Varun Kohli, Vice President, **Skycure**

4:15-5:15 PM

Fortifying the Invisible - Protecting Mobile Devices, IoT, and SCADA from Wireless Attacks

- Michael T. Raggo, Chief Security Officer, **802 Secure**

Wednesday, September 13, 2017

9:00-10:00 AM

Mobile Security: Looking past the FUD and focusing on the real threats to your enterprise

- Dr. Michael Covington, VP of Product, **Wandera**

Registration Information *Save \$300 by registering before August 1, 2017*

Law Enforcement/DHS/IC/DoD Registration*

ISS World Conference Tracks, Training Tracks 1 through 7
Pre-Conference Seminars plus Exhibits..... \$995
Registration after August 1, 2017\$1,295

Telecommunications Service Provider or Enterprise Registration*

ISS World Conference Tracks Except Tracks 5 & 6
Pre-Conference Seminars plus Exhibits..... \$995
Registration after August 1, 2017\$1,295

Vendor Registration*

ISS World Conference Tracks Except Tracks 5 & 6
Pre-Conference Seminars and Exhibits \$995
Registration after August 1, 2017\$1,295

**Note: To Attend the LEA/DHS/IC/DoD Training Tracks 5 and 6 you must be a sworn law enforcement officer or military/intelligence/government employee. Also you must register by September 7, 2017 in order to verify eligibility. Government photo ID required for Tracks 5 and 6 classroom access.*

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Conference and Exhibitions: The conference and exhibits will be held at the JW Marriott North Bethesda Hotel, Bethesda, MD in suburban Washington, DC. The DC Metro has a stop adjacent to the hotel. Phone: 1-301-822-9200

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Exhibiting Sponsors and Supporting Companies





July 26, 2017

TO: Each Member
Board of Retirement

FROM: Gregg Rademacher 
Chief Executive Officer

FOR: Board of Retirement Meeting of August 10, 2017

SUBJECT: Nossaman's Public Pensions and Investments Fiduciaries' Forum
November 30 – December 1, 2017 in San Francisco, California

The Nossaman's Public Pensions and Investments Fiduciaries' Forum will be held on November 30 – December 1, 2017 at the Le Méridien Hotel in San Francisco, California. This year's forum will focus on fiduciary challenges in an evolving legal landscape, with an emphasis on board governance and the proper exercise of fiduciary authority and discretion, investment-related challenges for fiduciaries, and benefits-related determinations. There will be hot-topic sessions highlighting the latest lessons on retirement system insurance coverage, tax issues, cyber protection, and more.

The main conference highlights include the following:

- Participating Employer Audits: Continuing and Upcoming Challenges
- FATCA, IRS Audits and Other Tax Issues: What You Don't Know May Hurt You
- How to Speak to the Media to Manage a Crisis

The conference meets LACERA's policy of an average of five (5) hours of substantive educational content per day. The standard hotel rate at the Le Méridien San Francisco hotel is \$299.00 per night plus applicable taxes and the registration fee is \$395.00.

If the registration fee is insufficient to pay the cost of the meals provided by the conference sponsor, LACERA must reimburse the sponsor for the actual cost of the meals, less any registration fee paid. Otherwise, the attendee will be deemed to have received a gift equal to the value of the meals, less any registration fee paid, under California's Political Reform Act.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

Approve attendance of Board members at the Nossaman's Public Pensions and Investments Fiduciaries' Forum conference on November 30 – December 1, 2017 in San Francisco, California and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.

GR/lg
Attachment

Invitation-Only 2017 Fiduciaries' Forum

November 30 - December 1, 2017 | Le Méridien Hotel | San Francisco, CA

Please join us for **Nossaman's Public Pensions and Investments Fiduciaries' Forum** – a decades-long tradition – hosted by Ashley Dunning and Yuliya Oryol.

PROGRAM DETAILS

DAY ONE

Thursday, November 30, 2017

2:30 – 3:00 p.m.

Registration

Le Méridien San Francisco – 2nd Floor

3:00 – 5:00 p.m.

Fiduciary Challenges in an Evolving Legal Landscape

Le Méridien San Francisco – 2nd Floor

Speakers: Ashley Dunning and Yuliya Oryol

Topic: How do Boards of Retirement develop fiduciarily sound policies on investments and benefits that evolve to address present challenges? How does staff implement those policies and establish appropriate procedures in the face of stakeholder disputes, public critiques, investment contract negotiation, litigation challenges, conflict of interest risks, and other fiduciary headwinds? This panel will examine the various roles and responsibilities of people connected with public pension systems – retirement board members, chief executive officers, chief investment officers, investment and benefits staff, inside counsel and outside counsel. What level of fiduciary standard of care should systems insist on in connection with investment documentation? When do Boards or staff decide an investment is not prudent, and whose responsibility is it to put the brakes on? How do Boards and staff properly exercise their fiduciary duties of loyalty and care in response to beneficiary and plan sponsor demands, and in the context of threatened or pending litigation? What about potential or actual conflicts of interests of board members and staff? This panel will examine high level case studies, with guidance from recent court decisions and FPPC advice letters, to address this complex topic.

5:30 – 6:30 p.m.

Welcome Reception

Waterbar, 399 The Embarcadero

6:30 – 9:00 p.m.

Dinner & Keynote Speaker

Waterbar, 399 The Embarcadero

9:00 p.m. on

Free Evening in San Francisco

NOSSAMAN HOSTS



Ashley Dunning
Partner



Yuliya Oryol
Partner

LOGISTICS

Forum

Le Méridien San Francisco
333 Battery St.

San Francisco, CA 94111

[MAP](#)

11/30 Welcome Reception & Dinner

Waterbar

399 The Embarcadero
San Francisco, CA 94105

[MAP](#)

*An application for California
MCLE accreditation of this
program is pending.*

HOTEL INFORMATION

Le Méridien San Francisco
333 Battery St.

San Francisco, CA 94111

[MAP](#)

Hotel Rooms

Nossaman has reserved a block of rooms at a reduced rate of \$299 per night.

Please [click here](#) to reserve your room **by 5:00 p.m. on Nov. 10, 2017**. The reduced rate cannot be guaranteed after Nov. 10.

Invitation-Only 2017 Fiduciaries' Forum

November 30 - December 1, 2017 | Le Méridien Hotel | San Francisco, CA

DAY TWO

Friday, December 1, 2017

8:00 – 9:00 a.m.

Continental Breakfast

Le Méridien San Francisco – 2nd Floor

9:00 – 10:00 a.m.

Participating Employer Audits: Continuing and Upcoming Challenges

Le Méridien San Francisco – 2nd Floor

Speakers: Ashley Dunning and John Kennedy

Topic: This panel will explore complicated aspects of participating employer audits that promise to create continuing challenges for California public retirement systems. Statutorily authorized audits include determining the “correctness” of (1) retirement benefits, (ii) reportable compensation, (iii) enrollment in; and (iv) reinstatement to, the retirement system. This panel will discuss legal nuances of each aspect such as reviews and different approaches to conducting them in a fiduciarily appropriate manner.

10:00 – 11:20 a.m.

20-Minute Hot Topic Updates -- With Key Takes Aways for Retirement Systems

Le Méridien San Francisco – 2nd Floor

Update 1: Cybersecurity and Privacy: How Protected Is Your Data?

Speaker: Thomas Dover

Update 2: Coverage: How Protected Are Your Assets?

Speaker: Jim Vorhis

Update 3: FATCA, IRS Audits and Other Tax Issues: What You Don't Know May Hurt You

Speaker: Doug Schwartz

Update 4: Developments in Subscription Agreements and Booklets

Speaker: Courtney Krause

11:30 a.m. – 12:30 p.m.

Understanding Investment Documentation (Public and Private Markets)

Le Méridien San Francisco – 2nd Floor

Speakers: Yuliya Oryol and David Kimport

Topic: This panel will review the different types of investment vehicles available to fund managers and investors for both the public markets and private markets transactions, and the pros and cons of investing in each. The panel will examine investment management agreements, funds of one, commingled funds, collective investment trusts, limited partnerships, limited liability companies, and more, and when – and why – it may be better to select one structure over another depending on the circumstances. The panel will also describe the key components of an LPA.

1:00 – 2:00 p.m.

Lunch Session: How to Speak to the Media to Manage a Crisis

Le Méridien San Francisco – 2nd Floor

Speaker: Tracy Williams, President & CEO, Olmstead Williams Communications, Inc.

Topic: This interactive discussion will provide tips from a media consultant regarding how to develop an issues management plan that ensures a quick response that stays consistent across the organization to rebuild your reputation and regain public trust. Tracy Williams will discuss best practices that will help you prepare and provide an all-hands-on-deck response when your phones are ringing off the hook.

Invitation-Only 2017 Fiduciaries' Forum

November 30 - December 1, 2017 | Le Méridien Hotel | San Francisco, CA

REGISTRATION

RSVP for the Welcome Reception, Dinner, and Fiduciaries' Forum to **Vanessa VanderZanden** at vvanderzanden@nossaman.com or call 213.612.7865.

Attendance is limited to *60 attendees* and is restricted to Board Members (less than a quorum), executive staff, investment officers, and in-house counsel only. Clients and prior participating plans have priority for registration.

Cost: \$375.00 per person (covers all meals and incidentals).

PAYMENT OPTIONS

Credit Card Payment

Complete the credit card authorization form (next page) and scan via email to Vanessa VanderZanden at vvanderzanden@nossaman.com or fax it to her attention at 213.612.7801.

Check

Make checks payable to **Nossaman LLP** and mail to:

Nossaman LLP

Public Pensions and Investments Fiduciaries' Forum

Attn: Vanessa VanderZanden
777 South Figueroa Street, 34th Floor
Los Angeles, CA, 90017



Public Pensions and Investments
2017 FIDUCIARIES' FORUM
November 30 - December 1, 2017

Cost per attendee: \$375.00 *(covers the cost of meals and incidentals for the events on Thursday and Friday).*

CREDIT CARD INFORMATION:

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Date Authorized: _____

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Complete this credit card authorization form and scan via email to Vanessa VanderZanden at vvanderzanden@nossaman.com or fax it to her attention at 213.612.7801.



July 26, 2017

TO: Each Member
Board of Retirement

FROM: Gregg Rademacher 
Chief Executive Officer

FOR: Board of Retirement Meeting of August 10, 2017

SUBJECT: Public Pension Trustees Fiduciary Conference
October 3 – 4, 2017 in New York, New York

The Public Pension Trustees Fiduciary Conference will be held on October 3–4, 2017 at the New York Law School in New York. The Public Pension Trustee Fiduciary conference will be a venue for public pension trustees from around the country to explore together how beliefs and values have a crucial role to play in a proactive approach to fiduciary duty. The conference program is by and for trustees. It emphasizes collaboration, small-group activities, real-time feedback, and discussion, interspersed with a handful of engaging on-topic speakers and high-quality panel discussions. Through case studies, mock boards, and interactive sessions that explore values, investment beliefs, and fiduciary duty, the conference will create a unique, memorable and actionable conference experience that will ultimately build a network that communicates and collaborates outside of the conference.

The main conference highlights include the following:

- The Evolution of Fiduciary Duty
- Investor Values Interactive Session: Putting Values into Value
- Investment Beliefs Interactive Session: From Personal Beliefs to Board Practices

The conference meets LACERA's policy of an average of five (5) hours of substantive educational content per day. The standard hotel rate at the Sheraton Tribeca New York hotel is \$339.00 per night plus applicable taxes and the registration fee to attend is \$695.00.

If the registration fee is insufficient to pay the cost of the meals provided by the conference sponsor, LACERA must reimburse the sponsor for the actual cost of the meals, less any registration fee paid. Otherwise, the attendee will be deemed to have received a gift equal to the value of the meals, less any registration fee paid, under California's Political Reform Act.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

Approve attendance of Board members at the Public Pension Trustees Fiduciary Conference on October 3–4, 2017 in New York, New York and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.

GR/lg
Attachment



PUBLIC PENSION TRUSTEES FIDUCIARY CONFERENCE

Towards a Proactive Fiduciary Duty

NYC

The Mayor's Office of Pensions
and Investments

**NEW YORK
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**INITIATIVE FOR
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INVESTMENT**

TENTATIVE AGENDA

Tuesday, October 3

8:00am-9:00am Registration and Breakfast

9:00am-9:15am: Welcome

9:15am-9:45am: Keynote Speaker- Dr. Ashby Monk, Executive Director Global Projects Center at Stanford University

Dr. Ashby Monk is the Executive Director and Research Director of Stanford University's Global Projects Center. He is also the Cofounder and Chairman of Long Game, a company that seeks to use short-term incentives to repurpose individuals' destructive habits into constructive savings and investment behaviors.

9:45am-10:45am: Investment Beliefs Interactive Session: From Personal Beliefs to Board Practices

In this interactive session, participants will begin to examine their own investment beliefs as well as how those beliefs are put into practice at their respective boards.

10:45am-11:00am: Coffee Break

11:00am-12:00pm: The Why Question? Saker Nusseibeh, CEO, Hermes Investment Management

Saker Nusseibeh is the CEO of Hermes Investment Management and the Founder of The 300 Club, a group of leading investment professionals from across the global who have joined together to raise uncomfortable and fundamental questions about the investment industry and investing.

12:00pm-1:00pm: Lunch

1:00pm-1:45pm: Fiduciary Duty Interactive Session

Interactive session on the evolution of fiduciary duty.

1:45pm-2:45pm: The Evolution of Fiduciary Duty

A trustees' fiduciary duty to the beneficiaries of their fund is their most important responsibility. How has the interpretation of fiduciary duty changed with the changes in asset management practices? How will challenges like climate change and persistent low interest rates alter how we perceive the role of the fiduciary? What are the ramifications of fiduciary duty for a "perpetual" versus a "long-term" investor? This panel will discuss what they see as the most pressing issues for current and future boards in a fireside chat session followed by Q&A.

- Brian Bartow, General Counsel, California State Teachers' Retirement System
- Ed Waitzer: Partner, Stikeman Elliott and Professor, York University
- Jeanna Cullins: Partner, AON Hewitt Investment Consulting
- Moderator: Suzanne Dugan, Special Counsel, Cohen Milstein Sellers & Toll

2:45pm-3:00pm: Coffee Break

3:00pm-3:45pm: Investor Values Interactive Session: Putting Values into Value

An interactive session where trustees can examine their values and how to reconnect them with the work of the investment board.

3:45pm-4:45pm: Being an Authentic Investor- Rob Lake, Founder, Authentic Investor

Rob Lake is the Founder of Authentic Investor an initiative to re-connect values and value in investment and finance in a fiduciary context.

4:45pm-5:00pm: Report Outs and Wrap-Up

5:00-8:00pm: Reception and Dinner

Mingle and debrief with your fellow trustees over food and drink.

Wednesday, October 4

8:00am-9:00am: Breakfast

9:00am-9:15am: Recap of Day 1

9:15am-10:15am: Not Just No: Towards a Proactive Fiduciary Duty

What kinds of collaboration between institutional asset owners are allowed; what kinds are not? What information and evidence can we consider in making decisions about investments or what is best for beneficiaries? Is divestment ever the right answer? This session will focus on the gray areas within fiduciary duty, anti-trust, and the interest of beneficiaries through a panel discussion of trustees, legal counsel, and investment staff.

- Janet Cowell: Former Treasurer of the State of North Carolina
- Catherine LaMar: General Counsel, Office of the State Connecticut Treasurer's Office
- Moderator: Luke Bierman: Dean of Elon University School of Law and Of Counsel, Cohen Milstein Sellers & Toll

10:15am-12:00pm: Group Case Studies

Utilizing the investment beliefs and values developed on the first day, each table will work through board case studies.

12:00pm-1:00pm: Working Lunch- Report Out From Case Studies

1:00pm-1:30pm Closing Plenary

July 13, 2017

TO: Each Member
Board of Retirement

FROM: Insurance, Benefits and Legislative Committee
William de la Garza, Chair
Vivian H. Gray, Vice Chair
Ronald Okum
Alan Bernstein
David Muir, Alternate

FOR: August 10, 2017 Board of Retirement Meeting

SUBJECT: **Senate Bill 562—The Healthy California Act**

Author: Lara [D] and Atkins [D]
Sponsor: California Nurses Association | National Nurses United
Introduced: February 17, 2017
Amended: May 26, 2017
Status: In ASSEMBLY. Read first time. Held at desk. (06/01/2017)

IBLC Recommendation: Watch (07/13/2017)
Staff Recommendation: Watch

RECOMMENDATION

That the Board of Retirement adopt a “Watch” position on Senate Bill 562, which would enact the Healthy California Act.

LEGISLATIVE POLICY/ENGAGEMENT POLICY STANDARD

As currently defined in the Legislative Policy (page 9), a “Watch” position indicates that the proposal does not affect LACERA and its stakeholders but would be enacted under a law that covers LACERA such as the County Employees Retirement Law of 1937 or the California Public Employees’ Pension Reform Act of 2017. This definition does not precisely align with the nature of SB 562. However, the Legislative Policy (page 5) further provides that its specific terms are not intended to limit the Board’s flexibility “to take a position or other action.” In addition, the Board’s Policy on Engagement (page 2) provides that the Board has the “full range of tools” to express its views, including on proposals relating to health care (pages 4 and 5). Therefore, since the bill is currently dead for the 2017 legislative session but may be considered in 2018, staff recommends a “Watch” position. Staff believes this recommendation is consistent with the letter and spirit of the Board’s Legislative and Engagement Policies.

STATUS OF BILL AND OTHER INFORMATION

Staff has inquired with staff at the Legislative Affairs and Intergovernmental Relations (LAIR) Branch of the Los Angeles County Executive Office. LAIR staff indicated that

they have been tracking and analyzing the bill as well as gathering feedback from affected departments. There is no existing policy approved by the Board of Supervisors to support proposals related to the establishment of a single-payer health system; therefore, the County does not have a position on SB 562. A County position on this measure would require action by the Board of Supervisors.

SB 562 passed the Senate on June 1, 2017 and moved on to the Assembly. However, in March, Governor Brown expressed skepticism regarding the feasibility of the bill due to the financial and implementation challenges in establishing a universal health care system in California.¹ On June 23, 2017, Assembly Speaker Anthony Rendon released a statement indicating that SB 562 was “woefully incomplete” and that there were flaws in the bill that needed to be addressed. Speaker Rendon made the decision that SB 562 will remain in the Assembly Rules Committee until further notice.²

As a result of remaining in the Assembly Rules Committee, SB 562 will not meet any of the legislative deadlines required to move forward in 2017 and will thus carry over into the 2018 legislative session.

SUMMARY

SB 562, as amended on May 26, 2017, would create a universal single-payer health care program and health care cost control system for all California residents.

ANALYSIS

Governance

The Healthy California Act would establish the Healthy California (HC) program to be governed by the Healthy California Board. The HC Board would be an independent public entity that is not affiliated with any agency or department. The HC Board would consist of nine members who are residents of California. Four would be appointed by the Governor, two appointed would be appointed by the Senate Committee on Rules, and two would be appointed by the Speaker of the Assembly. The Secretary of California Health and Human Services would be a voting, ex-officio member of the board.

The appointed members would serve four-year terms. The appointed members would be required to have demonstrated and acknowledged expertise in health care. The composition of the appointed members on the HC Board would consist of at least one representative of a labor organization representing registered nurses, at least one representative of the general public, at least one representative of a labor organization, and at least one representative of the medical provider community.

¹ Myers, J. (2017, March 22). California Gov. Jerry Brown on paying for universal healthcare: ‘How do you do that?’ *Los Angeles Times*. Retrieved from www.latimes.com

² Rendon, A. (2017, June 23). *Speaker Rendon statement on health care*. [Press release]. Retrieved from <https://speaker.asmdc.org/press-releases/speaker-rendon-statement-health-care>

There would also be a public advisory committee established by the Secretary of California Health and Human Services that would advise the board on policy matters. The committee would consist of 22 members primarily from the health care industry; it would also include members from organized labor and small and large businesses. The committee members would also serve four-year terms.

Implications for LACERA. No later than two years after the effective date of the Healthy California Act, the HC Board would be required to develop proposals that would be of interest to LACERA's retiree population.

LACERA currently makes available a long-term care insurance program to its retirees. On December 15, 2016, LACERA approved Life Secure as the carrier for its long-term care insurance program. LACERA serves as a facilitator between the carrier and retired members and does not have any liability for the policies issued.

One proposal by the HC Board would involve the development of a program for long-term care coverage and its funding, both of which would be consistent with the principles of HC. In developing the proposal, the HC Board would consult with an advisory committee appointed by the chairperson of the HC Board (distinct from the board's own public advisory committee) consisting of consumer representatives, long-term care providers, organized labor, and other interested parties.

Some LACERA retired members may relocate outside of California after retirement. HC effectively bifurcates the LACERA retiree population into those who reside in California and those who reside out of state.

As such, another proposal by the HC Board would involve the accommodation of employer retiree health benefits. There are two aspects to this proposal. The first is to accommodate members of HC who subsequently live as retirees out of state. The second is to accommodate people who have earned or accrued retiree health benefits while residing in the state prior to the implementation of HC and subsequently live as retirees out of state. Although HC would also provide for out-of-state health care services, they would be in situations where an HC member is temporarily out of state as opposed to a retiree living out of state.

It appears that retiree health benefits may continue to be entered into under an employer-employee contract, if the HC program takes effect. However, SB 562 does not explicitly discuss collective bargaining between employers and employees with respect to health care benefits, whether for active or retired employees or for public sector versus private sector employers.

SB 562 does provide that HC would not preempt any city, county, or city and county from adopting additional health care coverage for the *residents* of that city, county, or city and county. However, that additional coverage would be based on geography rather than on an employment relationship with a city, county, or city and county. (In contrast, SB 840 (Kuehl, 2006), a prior single-payer bill that was vetoed, provided that employees are not precluded from receiving additional benefits under a collective bargaining agreement.)

Eligibility for Coverage

All California residents are eligible to become members of HC. A “resident” is defined as an individual whose primary place of abode is in the state, regardless of the individual’s immigration status.

HC members would not be required to pay any fee, payment, or any other charge for enrollment or membership in HC. Members also would not be required to pay any premium, copayment, coinsurance, deductible or any other form of cost sharing for HC benefits.

Implications for LACERA. Retired members of LACERA are eligible to participate in LACERA’s retiree health care program. Members pay premiums that are subsidized based on years of service credit. Members with 10 years of service credit pay 40 percent of the plan premium or 40 percent of the benchmark plan premium, whichever is less. For each additional year of service credit over 10 years, members receive an additional 4-percent subsidy, up to a maximum of 100 percent for 25 years of service credit. Members are responsible for any premiums that exceed the benchmark amounts.

Depending on the LACERA retiree health care plan in which they are enrolled, members may also be responsible for copayments, coinsurance, or deductibles. If receiving health care benefits under the HC program, LACERA retired members would not be required to pay any premiums, copayments, coinsurance, deductibles, or any other form of cost sharing. However, as discussed above, it is unclear at this point how LACERA retirees who reside out of state would receive benefits under HC.

Benefits

The covered health benefits include all medical care determined to be medically appropriate by the member’s health care provider. (The bill analysis by the Senate Committee on Health notes that “medically appropriate” is a broader coverage standard than “medical necessity” and may negatively affect cost control.)

Covered health care benefits include, but are not limited to the following: inpatient and outpatient medical and health facility services; inpatient and outpatient professional health care provider services; diagnostic and evaluative services; medical equipment, appliances, and assistive technology; inpatient and outpatient rehabilitative care; emergency care services; emergency transportation; medical transportation for disabled or low-income individuals; immunizations and preventive care; health and wellness education; hospice care; skilled nursing facility care; home health care; mental health services; substance abuse treatment; dental care; vision care; prescription drugs; pediatric care; prenatal and postnatal care; podiatric care; chiropractic care; acupuncture; therapies shown by the National Institutes of Health or National Center for Complementary and Integrative Health to be safe and effective; blood and blood products; dialysis; adult day care; case management and case coordination; health-care-related language interpretation and translation; certain ancillary health care and social services previously covered under the Welfare and Institutions Code; and any additional health care services authorized to be added to the HC program.

Covered health care benefits also include health care services under various federal or federally-funded programs such as the Children's Health Insurance Program, Medi-Cal, Medicare, and essential health benefits mandated by the Affordable Care Act as of January 1, 2017.

Implications for LACERA. LACERA would need to analyze to what extent the benefits currently offered by its retiree health care plans align with the benefits offered by HC. Under HC's single-payer system, a carrier may not offer benefits or cover any services for which coverage is offered to individuals under the HC program. However, a carrier may offer benefits to cover health care services that are not offered to individuals under HC.

Delivery of Care

Any health care providers licensed to practice in California and otherwise in good standing are qualified to participate in the HC program. The providers must be legally authorized to perform the covered health care services. The health care services must be provided in California. However, the HC Board would also establish procedures for situations where HC members are temporarily located out of state and require health care services.

An HC member may choose to receive services from any participating provider or may enroll with an integrated health care delivery system.

Care coordination, which includes administrative tracking and medical recordkeeping services, would be provided to HC members. Care coordinators may include health care practitioners, certain licensed entities, a health care organization, a Taft-Hartley health and welfare fund, or any approved non-for-profit or governmental entity. HC members

would not be required to have a referral from a care coordinator to see any health care provider, but health care providers would not be reimbursed for providing services unless the HC member is enrolled with a care coordinator.

In general, health care providers would be paid on a fee-for-service basis, although the HC Board may establish other payment methodologies. Integrated health care delivery systems that provide comprehensive, coordinated services would be able to choose reimbursement on a capitated system operating budget or a noncapitated system operating budget.

Under the HC program, a carrier may not offer benefits or cover any service for which coverage is offered to individuals by HC. Carriers, as defined by the bill, include private health insurers and health care service plans. However, carriers may offer benefits to cover health care services not offered to individuals by HC.

Implications for LACERA. Retired LACERA members who are not eligible for Medicare are currently enrolled in health plans that are indemnity plans and health maintenance organizations (HMOs). However, under HC, carriers may not offer benefits or cover any services for which coverage is offered under HC. Under HC's single-payer system, the HC program—rather than a carrier—would pay a participating provider for covered services received by the member.

If the LACERA retiree health care plans offer benefits not covered by HC, it would be a question of what those benefits are and what kind of insurance market exists to provide those benefits. If there is not an insurance market and those extra benefits must be provided (for example, as mandated by the 1982 County/LACERA Funding Agreement), would a plan sponsor be able to self-fund those benefits? (This scenario would be analogous to situations where a LACERA member's pension benefit exceeds the benefit limitations under Section 415 of the Internal Revenue Code, and a replacement benefit plan is used to provide the promised benefit.)

Retired LACERA members who are eligible for Medicare and are HC members would receive Medicare benefits through the HC program as HC seeks federal waivers, approvals, and funding necessary to enable HC members to receive benefits that they would have received under a federal program.

Funding

In establishing a universal single-payer health care program, SB 562 contemplates providing health care services that are also covered under federal health programs such as Medicare, the Affordable Care Act, any federally matched public health program, and any other programs that provide payment for health care services. To that end, SB 562 would seek all federal waivers, approvals, and funding necessary to operate HC.

The Healthy California Trust Fund would be created to hold the funds to be utilized for the HC program.

Since SB 562 has a fiscal impact, it was required to be heard in the Senate Committee on Appropriations. A committee staff analysis was provided to members of the Appropriations Committee.

At the same time, the California Nurses Association, which is the sponsor of SB 562, also funded a research project that estimated the costs of HC and ways to fund it. The project was conducted by the Political Economy Research Institute at the University of Massachusetts Amherst.

Attachment 3 provides a comparison of the estimated fiscal impact analyzed by the Appropriations Committee and the Political Economy Research Institute (PERI).

The two analyses differ in their conclusions of the additional tax revenues required to fund HC. The Appropriations Committee estimates \$200 billion (although \$50 to \$100 billion would consist of new spending since existing spending is about \$100 to \$150 billion), and the Political Economy Research Institute estimates \$106 billion. For comparison, the California state budget for 2017-18 is \$123 billion.

Implications for LACERA. The proposals for funding HC outlined in Attachment 3 involve using a payroll tax, sales tax, or gross receipts business tax. It is assumed that LACERA members who are active employees would be subject to the payroll tax since they would be California residents who are eligible to be members of HC; they would be subject to the sales tax as consumers. As the County of Los Angeles would not be considered a business, it does not appear to be subject to a gross receipts tax. The Appropriations Committee analysis and the PERI analysis do not discuss funding from public sector sources that currently sponsor health care plans for public sector employees. For example, how would the funds in the LACERA Other Postemployment Benefits Trust be treated under the HC program?

Operative Date

As a result of being held in the Assembly Rules Committee for the rest of 2017, SB 562 will carry over into 2018. If enacted in 2018, SB 562 would be effective January 1, 2019. However, the provisions of SB 562 will not become operative until the date that the Secretary of California Health and Human Services notifies the Secretary of the Senate and Chief Clerk of the Assembly in writing that he or she has determined that the Healthy California Trust Fund has the revenues to fund the costs of implementing HC.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD adopt a “Watch” position on Senate Bill 562, which would enact the Healthy California Act.

Attachments

Attachment 1—Board Positions Adopted on Related Legislation

Attachment 2—Support And Opposition

Attachment 3—Fiscal Analysis

SB 562 as amended on May 26, 2017

SB 562

Attachment 1—Board Positions Adopted on Related Legislation

Board of Retirement

July 13, 2017

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BOARD POSITIONS ADOPTED ON RELATED LEGISLATION

SB 840 (2006, vetoed) would have established the California Health Insurance System to be administered by the California Health Insurance Agency under the control of the Health Insurance Commissioner. The bill would have made all California residents eligible for specified health care benefits and authorized the California Health Insurance System, on a single-payer basis, to negotiate and set fees for health care services and pay claims for those services. The Insurance, Benefits and Legislative Committee received and filed the recommendation to recommend a position to the Board of Retirement.

SUPPORT

California Nurses Association/National Nurses United (source), California Insurance Commissioner Dave Jones, 13 Pages Progressive Alliance for Government Ethics and Sanity, 28ers, 9to5 Working Women, A New Path, Alameda Progressives, Albany City Council, Albany Democratic Club, Alliance of Californians for Community Empowerment Institute, Alliance San Diego, AM Green Construction, American Association of Community Psychiatrists, American Civil Liberties Union, American Federation of Musicians Local 47, AFSCME Council 57, AFSCME Retirees Chapter 36, Americans for Democratic Action, Southern California, Arbeter Ring/Workmen's Circle, Arlington Community Church, Art Between Us, Asian Pacific American Labor Alliance, Asian Pacific Environmental Network, Bagg Lady Handbags, Bay Area Chapter of Resource Generation, Bay Area Veterans of the Civil Rights Movement, Bay Rising, Bell Everman, Inc., Bend the Arc, Berniecrats Labor Alliance Chartered Democratic Club of Yolo County, Biomech Incorporated, Breast Cancer Action, Business Alliance for a Healthy California, Butte County Health Care Coalition, Cabrillo College Federation of Teachers, AFT 4400, California Alliance for Retired Americans, California Association of Marriage and Family Therapists East Bay Chapter, California Capital Chapter of Physicians for a National Health Program, California Center for Rural Policy, California Council of Churches IMPACT, California Democratic Party State Central Committee San Gabriel Valley, California Domestic Workers Coalition, California Faculty Association - San Francisco State University Chapter, California Federation of Teachers, AFT, AFL-CIO, California Foundation for Independent Living Centers, California Health Professionals Student Alliance, California Healthy Nail Salon Collaborative, California Labor Federation, AFL-CIO, California National Organization for Women, California One Care, California Partnership, California Physicians Alliance, California Public Health Association-North, California School Employees Association, California Teachers Association, California Youth Empowerment Network, Californians United for a Responsible Budget, Campaign for a Healthy California, Caring Across Generations, Catalina's List, Central Valley Indivisible, Central Valley-Sierra Progressives, CEO to CEO, Chinese Progressive Association, City and County of San Francisco, City Designworks, City of Berkeley, City of El Cerrito, City of Emeryville, City of Los Angeles, City of Oakland, City of Richmond, City of Richmond- Laurel Park Neighborhood Council, City of West Hollywood, Clergy & Laity United for Economic Justice, Clinica Romero, Code Pink, Communications Workers of American District 9, Community Health Councils, Concilio Latino of West Contra Costa County, Congresswoman Karen Bass, Consider the Homeless, Consumer Federation of California, Contra Costa AFL-CIO Labor Council, County of Marin Board of Supervisors, County of Nevada Board of Supervisors, County of San Clara Board of Supervisors, County of San Francisco Board of Supervisors, Courage Campaign, Courageous Resistance of Humboldt, CREDO Action, Cutting Edge Capital, Decus Biomedical, Dell Arte International, Democracy for America-Marin, Democratic Action Club of Chico, Democratic Club of Carlsbad-Oceanside, Democratic Club of Santa Maria Valley,

Democratic Club of Southern Sonoma County, Democratic Party of Contra Costa, Democratic Party of Orange County, Democratic Socialists of America – Los Angeles, Democratic Socialists of America, Orange County Chapter, Democratic Socialists of America, San Francisco, Democratic Socialists of America, Ventura County Chapter, Democratic Women's Club of San Diego County, Democratic Women's Coalition of Tuolumne County, Disability Action Center, Divine Feminine Yoga, Douglas L. Applegate Law Office, East Bay Democratic Socialists of America, East Bay Single Payer Coalition, East Contra Costa Democratic Club, Easter Hill United Methodist Church, Eastlake Bonita Center for Human Rights, Ecological Farming Association, El Cerrito Progressives, Elder Care Providers' Coalition, Elsdon Organizational Renewal, Empowered Investments, Encore, Far Leaves Tea, First They Came for the Homeless, For Grace, Forward Together, Fresno Economic Opportunities Commission, Friends Committee on Legislation, Giraud Photography, Inc., Give Something Back Office Supplies, Glenview Area Groups for Action, Gray Panthers of San Francisco, Green Party of Alameda County, Green Party of Contra Costa County, Green Party of San Bernardino County, Green Party of Santa Clara County, Green Party of Yolo County, Haight Ashbury Neighborhood Council, Haiks German Autohaus, Hand in Hand, Harvey Milk LGBT Democratic Club, Health Care for All - Alameda County, Health Care for All - California 15 Chapters, Health Care for All - Contra Costa County, Health Care for All - Los Angeles Chapter, Health Care for All - Marin, Health Care for All - Nevada County Chapter, Health Care for All - Sacramento Valley Chapter, Health Care for All - San Fernando Valley Chapter, Health Care for All - San Gabriel Valley County, Health Care for All - Santa Barbara County Chapter, Health Care for All - Santa Clara County Chapter, Healthy California, Human Agenda, Humanist Society of Santa Barbara, Hunger Action Los Angeles, Independent Living Resource Center San Francisco, Indivisible Claremont, Indivisible East Contra Costa County, Indivisible Ladera, Indivisible Mader, Indivisible Orange County, Inland Coalition for Immigrant Justice, Inland Empire Immigrant Youth Collective, Inland Greens, International Longshore & Warehouse Union Southern California, J. Glynn & Company, Jane Thomas Press, Jobs with Justice San Francisco, Justice for All Ventura County, Justice for Palestinians, Kate Harris Consulting, KNA Copy Centre, Korean Community Center of the East Bay, Kramer Translations, La Jolla Democratic Club, Labor United for Universal Healthcare, Laguna Woods Democratic Club, Lake County Democratic Central Committee, Lamorinda Peace and Justice Group, Latina/Latino Roundtable, Latino Coalition for a Healthy California, Law & Mediation Office of Leslie A. Levy, Law Offices of Douglas L. Applegate, Lawyers for Good Government, League of Women Voters of California, Legal Services for Children, Lonely Liberals Indivisible of San Luis Obispo County, Long Beach Gray Panthers, Loving Way Midwifery, Low-Income Self Help Center, Lucille Design, Maddala Music, March and Rally Los Angeles, Martin Luther King Coalition of Greater Los Angeles, McGee-Spaulling Neighbors in Action, Media Alliance, Merced Collective Action Network, Mi Familia Vota, Mini-Vacation Massage, Mobilize the Immigrant Vote, Monkey Out, Voters In, Monkey Wrench Brigade, Mountain Bears

Democratic Club, Mt. Diablo Peace and Justice Center, Multi-Faith ACTION Coalition, Musicians Union Local 6, National Association of Retired and Veteran Railway Employees, National Association of Social Workers, National Association of Social Workers-Fresno County, National Economic and Social Rights Initiative, National Union of Health Care Workers, Nevada County Democratic Women's Club, Nevada County Green Party, No Coal in Oakland, North Bay Jobs with Justice, Oakland Livable Wage Assembly, Oakley, California Mayor Sue Higgins, Occupy Torrance, One Page Plan, Organizacion en California de Lideres Campesinas, Inc., Otis Chiropractic Neurology, Inc., Our Developing World, Our Revolution, Our Revolution, Long Beach, Our Revolution, West San Fernando Valley, Pacific Palisades Democratic Club, Pacifica Social Justice, Painters & Allied Trades District Council 36, Peace and Freedom Party of California, People Power of Marina Del Ray, Peralta Retirees Organization, Physicians for a National Health Program CA, Pilipino Workers Center of Southern California, Pomona Valley Democratic Club, Poverty Matters, ProData Solutions, Progressive Action for Glendale, Progressive Asian Network for Action, Progressive Asset Management, Progressive Democrats of America - California, Progressive Democrats of America - Greater Palm Springs Area, Progressive Democrats of America - Lake County Chapter, Progressive Democrats of America - Orange County Chapter, Progressive Democrats of America - San Francisco Chapter, Progressive Democrats of America - Santa Monica Chapter, Progressive Democrats of America - Ventura County Chapter, Project Inform, Rancho Penasquitos Democratic Club, Resource Generation, Richmond Progressive Alliance, Riverside All of Us or None, Riverside County Young Democrats, Riverside Temple Beth El, San Francisco Berniecrats, San Francisco Green Party, San Francisco Labor Council, San Francisco Latino Democratic Club, San Joaquin Valley Democratic Club, San Jose Peace and Justice Center, San Mateo Central Labor Council, Santa Barbara Women's Political Committee, Santa Clara County Board of Supervisors, Santa Clara County Green Party San Francisco Berniecrats, Santa Cruz for Bernie, Santa Cruz Indivisible, Santa Rosa Democratic Club, School of the America Watch Los Angeles, Senior and Disability Action, Sierra Foothills Democratic Club, Sign Display and Allied Crafts Local Union No. 510, Silicon Valley Independent Living Center, SoCal 350 Climate Action, Social and Economic Justice Coalition, Social Justice Alliance of the Interfaith Council of Contra Costa, Sol2Economics, South Bay Labor Council, Steve Giraud Photography, Strike Debt, Sue's Hair Salon, Sunflower Alliance, TDA Investment Group, Tenants Together, The Democracy Project, The Latina/Latino Roundtable, The Refill Shop, Therapists for Single Payer, Together to End Solidarity Santa Cruz, Trout in Hand Productions, Tuolumne County Democratic Central Community, Tuolumne County Democratic Club, UFCW, Local 5, Unitarian Universalist Justice Ministry of California, United Democrats of El Dorado County, United Electrical, Radio, and Machine Workers of America Western Region, United Steelworkers, Local 2801, United Steelworkers, Local 675, UNITE-HERE, AFL-CIO, University Council American Federation of Teachers Local 1474, University Professional and Technical Employees, Local 9119, Uprise

Campaigns, Veterans Democratic Club of LA County, Veterans for Peace, South Bay Chapter, Vision y Compromiso, Voices for Mothers and Others, Wellstone Democratic Renewal Club, Word Spark Writing & Editing, Yes We Can Democratic Club, Yolo MoveOn, Numerous individuals

OPPOSITION

America's Health Insurance Plans, Anthem Blue Cross, Association of California Insurance Companies, Association of California Life & Health Insurance Companies, Bay Area Council, BizFed, Los Angeles County Business Federation, Blue Shield of California, California Association of Health Plans, California Association of Health Underwriters, California Business Roundtable, California Chamber of Commerce, California Farm Bureau Federation, California Framing Contractors Association, California League of Food Processors, California Manufacturers & Technology Association, California Medical Association, California Professional Association of Specialty Contractors, California Retailers Association, California Taxpayers Association, California Trucking Association, Camarillo Chamber of Commerce, El Centro Chamber of Commerce and Tourist Bureau, Fresno Chamber of Commerce, Greater Riverside Chambers of Commerce, Greater San Fernando Valley Chamber of Commerce, Health Net, Howard Jarvis Taxpayers Association, Independent Insurance Agents and Brokers of California, Kaiser Permanente, Long Beach Chamber of Commerce, Molina Healthcare, Murrieta Chamber of Commerce, National Association of Insurance and Financial Advisors of California, National Federation of Independent Business, North Orange County Chamber of Commerce, Oceanside Chamber of Commerce, Orange County Business Council, Oxnard Chamber of Commerce, Redondo Beach Chamber of Commerce and Tourist Bureau, Santa Maria Valley Chamber of Commerce, South Bay Association of Chambers of Commerce, Southwest California Legislative Council, Torrance Chamber of Commerce, Valley Industry and Commerce Association, Western Growers Association, Yuba-Sutter Chamber of Commerce

	Appropriations Committee	Political Economy Research Institute
Total costs per year	\$400 billion	\$331 billion ¹
Federal, state, and local funding	\$200 billion	\$225 billion ²
Additional tax revenues required	\$200 billion (Existing spending is \$100 to \$150 billion; therefore, new spending would be \$50 to \$100 billion.)	\$106 billion
Source for additional tax revenues	Payroll tax: 15 percent (no cap on wages subject to tax)	Gross receipts tax of businesses: 2.3 percent Sales tax: 2.3 percent
Alternative source for additional tax revenues		Payroll tax for employers and employees: 3.3 percent each (6.6 percent total) Sales tax: 2.3 percent

¹ The Political Economy Research Institute estimates a cost of \$404 billion under California's existing health care system. It also estimates a savings potential of 18 percent derived from changes in structure (administration, pharmaceutical pricing, and Medicare rates) and service delivery as a result of implementing a single-payer system. (\$331 billion = \$404 billion x 0.82)

² The Political Economy Research Institute cites a research study by the UCLA Center for Health Policy Research that 71 percent of total health care spending in California comes from public funding sources. The PERI excludes 3 percent of state and local government tax subsidies for employer-sponsored insurance that would not be operating under Healthy California. The resulting 68 percent is applied against costs of \$331 billion. (\$225 billion = \$331 billion x 0.68)

AMENDED IN SENATE MAY 26, 2017
AMENDED IN SENATE APRIL 17, 2017
AMENDED IN SENATE MARCH 29, 2017

SENATE BILL

No. 562

Introduced by Senators Lara and Atkins

(Principal coauthors: Senators Galgiani and Wiener)

(Principal coauthors: Assembly Members Bonta and Gomez)

(Coauthors: Senators Allen, McGuire, and Skinner)

(Coauthors: Assembly Members Chiu, Friedman, Kalra, McCarty,
Nazarian, Mark Stone, and Thurmond)

February 17, 2017

An act to add Title 22.2 (commencing with Section 100600) to the Government Code, relating to health care coverage, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 562, as amended, Lara. The Healthy California Act.

Existing federal law, the federal Patient Protection and Affordable Care Act (PPACA), enacted various health care coverage market reforms that took effect January 1, 2014. PPACA required each state, by January 1, 2014, to establish an American Health Benefit Exchange to facilitate the purchase of qualified health benefit plans by qualified individuals and qualified small employers. PPACA defines a "qualified health plan" as a plan that, among other requirements, provides an essential health benefits package. Existing state law creates the California Health Benefit Exchange, also known as Covered California, to facilitate the purchase of qualified health plans by qualified individuals and qualified small employers.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975 (Knox-Keene), provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions.

This bill, the Healthy California Act, would create the Healthy California program to provide comprehensive universal single-payer health care coverage and a health care cost control system for the benefit of all residents of the state. The bill, among other things, would provide that the program cover a wide range of medical benefits and other services and would incorporate the health care benefits and standards of other existing federal and state provisions, including, but not limited to, the state's Children's Health Insurance Program (CHIP), Medi-Cal, ancillary health care or social services covered by regional centers for persons with developmental disabilities, Knox-Keene, and the federal Medicare program. The bill would require the board to seek all necessary waivers, approvals, and agreements to allow various existing federal health care payments to be paid to the Healthy California program, which would then assume responsibility for all benefits and services previously paid for with those funds.

This bill would also provide for the participation of health care providers in the program, require care coordination for members, provide for payment for health care services and care coordination, and specify program standards. The bill would state the intent of the Legislature to enact legislation that would develop a revenue plan, taking into consideration anticipated federal revenue available for the Healthy California program. The bill would create the Healthy California Trust Fund in the State Treasury, as a continuously appropriated fund, consisting of any federal and state moneys received for the purposes of the act. Because the bill would create a continuously appropriated fund, it would make an appropriation.

This bill would create the Healthy California Board to govern the program, made up of 9 members with demonstrated and acknowledged expertise in health care, and appointed as provided. The bill would provide the board with all the powers and duties necessary to establish the Healthy California program, including, but not limited to,

determining when individuals may start enrolling into the program, employing necessary staff, and negotiating and entering into any necessary contracts. The bill would also require the Secretary of California Health and Human Services to establish a public advisory committee to advise the board on all matters of policy for the Healthy California program.

This bill would prohibit health care service plans and health insurers from offering health benefits or covering any service for which coverage is offered to individuals under the program, except as provided. The bill would authorize health care providers, as defined, to collectively negotiate rates of payment for health care services, rates of payment for prescription and nonprescription drugs, and payment methodologies using a 3rd-party representative, as provided.

This bill would prohibit this act from becoming operative until the Secretary of California Health and Human Services gives written notice to the Secretary of the Senate and the Chief Clerk of the Assembly that the Healthy California Trust Fund has the revenues to fund the costs of implementing the act. The California Health and Human Services Agency would be required to publish a copy of the notice on its Internet Web site.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

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

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

- 1 SECTION 1. (a) The Legislature finds and declares all of the
- 2 following:
- 3 (1) All residents of this state have the right to health care. While
- 4 the federal Patient Protection and Affordable Care Act (PPACA)
- 5 brought many improvements in health care and health care
- 6 coverage, it still leaves many Californians without coverage or
- 7 with inadequate coverage.
- 8 (2) Californians, as individuals, employers, and taxpayers, have
- 9 experienced a rise in the cost of health care and health care

1 coverage in recent years, including rising premiums, deductibles,
2 and copays, as well as restricted provider networks and high
3 out-of-network charges.

4 (3) Businesses have also experienced increases in the costs of
5 health care benefits for their employees, and many employers are
6 shifting a larger share of the cost of coverage to their employees
7 or dropping coverage entirely.

8 (4) Individuals often find that they are deprived of affordable
9 care and choice because of decisions by health benefit plans guided
10 by the plan's economic needs rather than consumers' health care
11 needs.

12 (5) To address the fiscal crisis facing the health care system and
13 the state, and to ensure Californians can exercise their right to
14 health care, comprehensive health care coverage needs to be
15 provided.

16 (6) It is the intent of the Legislature to establish a comprehensive
17 universal single-payer health care coverage program and a health
18 care cost control system for the benefit of all residents of the state.

19 (b) (1) It is further the intent of the Legislature to establish the
20 Healthy California (HC) program to provide universal health
21 coverage for every Californian based on his or her ability to pay
22 and funded by broad-based revenue.

23 (2) It is the intent of the Legislature for the state to work to
24 obtain waivers and other approvals relating to Medi-Cal, the state's
25 Children's Health Insurance Program, Medicare, the PPACA, and
26 any other federal programs so that any federal funds and other
27 subsidies that would otherwise be paid to the State of California,
28 Californians, and health care providers would be paid by the federal
29 government to the State of California and deposited in the Healthy
30 California Trust Fund.

31 (3) Under those waivers and approvals, those funds would be
32 used for health coverage that provides health benefits equal to or
33 exceeded by those programs as well as other program
34 modifications, including elimination of cost sharing and insurance
35 premiums.

36 (4) Those programs would be replaced and merged into the HC
37 program, which will operate as a true single-payer program.

38 (5) If any necessary waivers or approvals are not obtained, it is
39 the intent of the Legislature that the state use state plan
40 amendments and seek waivers and approvals to maximize, and

1 make as seamless as possible, the use of federally matched public
2 health programs and federal health programs in the HC program.

3 (6) Thus, even if other programs such as Medi-Cal or Medicare
4 may contribute to paying for care, it is the goal of this act that the
5 coverage be delivered by the HC program, and, as much as
6 possible, that the multiple sources of funding be pooled with other
7 HC program funds and not be apparent to HC program members
8 or participating providers.

9 (c) This act does not create any employment benefit, nor does
10 it require, prohibit, or limit the providing of any employment
11 benefit.

12 (d) (1) It is the intent of the Legislature not to change or impact
13 in any way the role or authority of any licensing board or state
14 agency that regulates the standards for or provision of health care
15 and the standards for health care providers as established under
16 current law, including, but not limited to, the Business and
17 Professions Code, the Health and Safety Code, the Insurance Code,
18 and the Welfare and Institutions Code, as applicable.

19 (2) This act would in no way authorize the Healthy California
20 Board, the Healthy California program, or the Secretary of
21 California Health and Human Services to establish or revise
22 licensure standards for health care providers.

23 (e) It is the intent of the Legislature that neither health
24 information technology nor clinical practice guidelines limit the
25 effective exercise of the professional judgment of physicians and
26 registered nurses. Physicians and registered nurses shall be free to
27 override health information technology and clinical practice
28 guidelines if, in their professional judgment, it is in the best interest
29 of the patient and consistent with the patient's wishes.

30 (f) (1) It is the intent of the Legislature to prohibit the HC
31 program, a state agency, a local agency, or a public employee
32 acting under color of law from providing or disclosing to anyone,
33 including, but not limited to, the federal government, any
34 personally identifiable information obtained, including, but not
35 limited to, a person's religious beliefs, practices, or affiliation,
36 national origin, ethnicity, or immigration status, for law
37 enforcement or immigration purposes.

38 (2) This act would also prohibit law enforcement agencies from
39 using the HC program's funds, facilities, property, equipment, or
40 personnel to investigate, enforce, or assist in the investigation or

1 enforcement of any criminal, civil, or administrative violation or
2 warrant for a violation of any requirement that individuals register
3 with the federal government or any federal agency based on
4 religion, national origin, ethnicity, or immigration status.

5 (g) It is the further intent of the Legislature to address the high
6 cost of prescription drugs and ensure they are affordable for
7 patients.

8 SEC. 2. Title 22.2 (commencing with Section 100600) is added
9 to the Government Code, to read:

10

11 TITLE 22.2. THE HEALTHY CALIFORNIA ACT

12

13 CHAPTER 1. GENERAL PROVISIONS

14

15 100600. This title shall be known, and may be cited, as the
16 Healthy California Act.

17 100601. There is hereby established in state government the
18 Healthy California program to be governed by the Healthy
19 California Board pursuant to Chapter 2 (commencing with Section
20 100610).

21 100602. For the purposes of this title, the following definitions
22 apply:

23 (a) “Affordable Care Act” or “PPACA” means the federal
24 Patient Protection and Affordable Care Act (Public Law 111-148),
25 as amended by the federal Health Care and Education
26 Reconciliation Act of 2010 (Public Law 111-152), and any
27 amendments to, or regulations or guidance issued under, those
28 acts.

29 (b) “Allied health practitioner” means a group of health
30 professionals who apply their expertise to prevent disease
31 transmission, diagnose, treat, and rehabilitate people of all ages
32 and in all specialties. Together with a range of technical and
33 support staff, they may deliver direct patient care, rehabilitation,
34 treatment, diagnostics, and health improvement interventions to
35 restore and maintain optimal physical, sensory, psychological,
36 cognitive, and social functions. Examples include, but are not
37 limited to, audiologists, occupational therapists, social workers,
38 and radiographers.

39 (c) “Board” means the Healthy California Board described in
40 Section 100610.

- 1 (d) “Care coordination” means services provided by a care
2 coordinator under Section 100637.
- 3 (e) “Care coordinator” means an individual or entity approved
4 by the board to provide care coordination under Section 100637.
- 5 (f) “Carrier” means either a private health insurer holding a
6 valid outstanding certificate of authority from the Insurance
7 Commissioner or a health care service plan, as defined under
8 subdivision (f) of Section 1345 of the Health and Safety Code,
9 licensed by the Department of Managed Health Care.
- 10 (g) “Committee” means the public advisory committee
11 established pursuant to Section 100611.
- 12 (h) “Essential community providers” means persons or entities
13 acting as safety net clinics, safety net health care providers, or
14 rural hospitals.
- 15 (i) “Federally matched public health program” means the state’s
16 Medi-Cal program under Title XIX of the federal Social Security
17 Act (42 U.S.C. Sec. 1396 et seq.) and the state’s Children’s Health
18 Insurance Program (CHIP) under Title XXI of the federal Social
19 Security Act (42 U.S.C. Sec. 1397aa et seq.).
- 20 (j) “Fund” means the Healthy California Trust Fund established
21 under Section 100655.
- 22 (k) “Health care organization” means an entity that is approved
23 by the board under Section 100640 to provide health care services
24 to members under the program.
- 25 (l) “Health care service” means any health care service,
26 including care coordination, that is included as a benefit under the
27 program.
- 28 (m) “Healthy California” or “HC” means the Healthy California
29 program established in Section 100601.
- 30 (n) “Implementation period” means the period under subdivision
31 (f) of Section 100612 during which the program is subject to
32 special eligibility and financing provisions until it is fully
33 implemented under that section.
- 34 (o) “Integrated health care delivery system” means a provider
35 organization that meets both of the following criteria:
- 36 (1) Is fully integrated operationally and clinically to provide a
37 broad range of health care services, including preventive care,
38 prenatal and well-baby care, immunizations, screening diagnostics,
39 emergency services, hospital and medical services, surgical
40 services, and ancillary services.

1 (2) Is compensated by Healthy California using capitation or
2 facility budgets for the provision of health care services.

3 (p) “Long-term care” means long-term care, treatment,
4 maintenance, or services not covered under the state’s Children’s
5 Health Insurance Program, as appropriate, with the exception of
6 short-term rehabilitation, and as defined by the board.

7 (q) “Medicaid” or “medical assistance” means a program that
8 is one of the following:

9 (1) The state’s Medi-Cal program under Title XIX of the federal
10 Social Security Act (42 U.S.C. Sec. 1396 et seq.).

11 (2) The state’s Children’s Health Insurance Program under Title
12 XXI of the federal Social Security Act (42 U.S.C. Sec. 1397aa et
13 seq.).

14 (r) “Medicare” means Title XVIII of the *federal* Social Security
15 Act (42 U.S.C. Sec. 1395 et seq.) and the programs thereunder.

16 (s) “Member” means an individual who is enrolled in the
17 program.

18 (t) “Out-of-state health care service” means a health care service
19 provided in person to a member while the member is physically
20 located out of the state under either of the following circumstances:

21 (1) It is medically necessary that the health care service be
22 provided while the member physically is out of the state.

23 (2) It is clinically appropriate and necessary, and cannot be
24 provided in the state, because the health care service can only be
25 provided by a particular health care provider physically located
26 out of the state. However, any health care service provided to an
27 HC member by a health care provider qualified under Section
28 100635 that is located outside the state shall not be considered an
29 out-of-state service and shall be covered as otherwise provided in
30 this title.

31 (u) “Participating provider” means any individual or entity that
32 is a health care provider qualified under Section 100635 that
33 provides health care services to members under the program, or a
34 health care organization.

35 (v) “Prescription drugs” means prescription drugs as defined in
36 subdivision (n) of Section 130501 of the Health and Safety Code.

37 (w) “Program” means the Healthy California program
38 established in Section 100601.

1 (x) “Resident” means an individual whose primary place of
2 abode is in the state, without regard to the individual’s immigration
3 status.

4 100603. This title does not preempt any city, county, or city
5 and county from adopting additional health care coverage for
6 residents in that city, county, or city and county that provides more
7 protections and benefits to California residents than this title.

8 100604. To the extent any provision of California law is
9 inconsistent with this title or the legislative intent of the Healthy
10 California Act, this title shall apply and prevail, except when
11 explicitly provided otherwise by this title.

12
13 CHAPTER 2. GOVERNANCE
14

15 100610. (a) The Healthy California Board shall be an
16 independent public entity not affiliated with an agency or
17 department. The board shall be governed by an executive board
18 consisting of nine members who are residents of California. Of
19 the members of the board, four shall be appointed by the Governor,
20 two shall be appointed by the Senate Committee on Rules, and
21 two shall be appointed by the Speaker of the Assembly. The
22 Secretary of California Health and Human Services or his or her
23 designee shall serve as a voting, ex officio member of the board.

24 (b) Members of the board, other than an ex officio member,
25 shall be appointed for a term of four years. Appointments by the
26 Governor shall be subject to confirmation by the Senate. A member
27 of the board may continue to serve until the appointment and
28 qualification of his or her successor. Vacancies shall be filled by
29 appointment for the unexpired term. The board shall elect a
30 chairperson on an annual basis.

31 (c) (1) Each person appointed to the board shall have
32 demonstrated and acknowledged expertise in health care.

33 (2) Appointing authorities shall also consider the expertise of
34 the other members of the board and attempt to make appointments
35 so that the board’s composition reflects a diversity of expertise in
36 the various aspects of health care.

37 (3) Appointments to the board by the Governor, the Senate
38 Committee on Rules, and the Speaker of the Assembly shall be
39 composed of:

1 (A) At least one representative of a labor organization
2 representing registered nurses.

3 (B) At least one representative of the general public.

4 (C) At least one representative of a labor organization.

5 (D) At least one representative of the medical provider
6 community.

7 (d) Each member of the board shall have the responsibility and
8 duty to meet the requirements of this title, the Affordable Care
9 Act, and all applicable state and federal laws and regulations, to
10 serve the public interest of the individuals, employers, and
11 taxpayers seeking health care coverage through the program, and
12 to ensure the operational well-being and fiscal solvency of the
13 program.

14 (e) In making appointments to the board, the appointing
15 authorities shall take into consideration the cultural, ethnic, and
16 geographical diversity of the state so that the board's composition
17 reflects the communities of California.

18 (f) (1) A member of the board or of the staff of the board shall
19 not be employed by, a consultant to, a member of the board of
20 directors of, affiliated with, or otherwise a representative of, a
21 health care provider, a health care facility, or a health clinic while
22 serving on the board or on the staff of the board. A member of the
23 board or of the staff of the board shall not be a member, a board
24 member, or an employee of a trade association of health facilities,
25 health clinics, or health care providers while serving on the board
26 or on the staff of the board. A member of the board or of the staff
27 of the board shall not be a health care provider unless he or she
28 receives no compensation for rendering services as a health care
29 provider and does not have an ownership interest in a health care
30 practice.

31 (2) A board member shall not receive compensation for his or
32 her service on the board, but may receive a per diem and
33 reimbursement for travel and other necessary expenses, as provided
34 in Section 103 of the Business and Professions Code, while
35 engaged in the performance of official duties of the board.

36 (3) For purposes of this subdivision, "health care provider"
37 means a person licensed or certified pursuant to Division 2
38 (commencing with Section 500) of the Business and Professions
39 Code, or licensed pursuant to the Osteopathic Act or the
40 Chiropractic Act.

1 (g) A member of the board shall not make, participate in making,
2 or in any way attempt to use his or her official position to influence
3 the making of a decision that he or she knows, or has reason to
4 know, will have a reasonably foreseeable material financial effect,
5 distinguishable from its effect on the public generally, on him or
6 her or a member of his or her immediate family, or on either of
7 the following:

8 (1) Any source of income, other than gifts and other than loans
9 by a commercial lending institution in the regular course of
10 business on terms available to the public without regard to official
11 status aggregating two hundred fifty dollars (\$250) or more in
12 value provided to, received by, or promised to the member within
13 12 months prior to the time when the decision is made.

14 (2) Any business entity in which the member is a director,
15 officer, partner, trustee, employee, or holds any position of
16 management.

17 (h) There shall not be liability in a private capacity on the part
18 of the board or a member of the board, or an officer or employee
19 of the board, for or on account of an act performed or obligation
20 entered into in an official capacity, when done in good faith,
21 without intent to defraud, and in connection with the
22 administration, management, or conduct of this title or affairs
23 related to this title.

24 (i) The board shall hire an executive director to organize,
25 administer, and manage the operations of the board. The executive
26 director shall be exempt from civil service and shall serve at the
27 pleasure of the board.

28 (j) The board shall be subject to the Bagley-Keene Open Meeting
29 Act (Article 9 (commencing with Section 11120) of Chapter 1 of
30 Part 1 of Division 3 of Title 2), except that the board may hold
31 closed sessions when considering matters related to litigation,
32 personnel, contracting, and rates.

33 (k) The board may adopt rules and regulations as necessary to
34 implement and administer this title in accordance with the
35 Administrative Procedure Act (Chapter 3.5 (commencing with
36 Section 11340) of Part 1 of Division 3 of Title 2).

37 100611. (a) The Secretary of California Health and Human
38 Services shall establish a public advisory committee to advise the
39 board on all matters of policy for the program.

- 1 (b) The members of the committee shall include all of the
2 following:
- 3 (1) Four physicians, all of whom shall be board certified in their
4 fields, and at least one of whom shall be a psychiatrist. The Senate
5 Committee on Rules and the Governor shall each appoint one
6 member. The Speaker of the Assembly shall appoint two of these
7 members, both of whom shall be primary care providers.
- 8 (2) Two registered nurses, to be appointed by the Senate
9 Committee on Rules.
- 10 (3) One licensed allied health practitioner, to be appointed by
11 the Speaker of the Assembly.
- 12 (4) One mental health care provider, to be appointed by the
13 Senate Committee on Rules.
- 14 (5) One dentist, to be appointed by the Governor.
- 15 (6) One representative of private hospitals, to be appointed by
16 the Governor.
- 17 (7) One representative of public hospitals, to be appointed by
18 the Governor.
- 19 (8) One representative of an integrated health care delivery
20 system, to be appointed by the Governor.
- 21 (9) Four consumers of health care. The Governor shall appoint
22 two of these members, one of whom shall be a member of the
23 disabled community. The Senate Committee on Rules shall appoint
24 a member who is 65 years of age or older. The Speaker of the
25 Assembly shall appoint the fourth member.
- 26 (10) One representative of organized labor, to be appointed by
27 the Speaker of the Assembly.
- 28 (11) One representative of essential community providers, to
29 be appointed by the Senate Committee on Rules.
- 30 (12) One member of organized labor, to be appointed by the
31 Senate Committee on Rules.
- 32 (13) One representative of small business, which is a business
33 that employs less than 25 people, to be appointed by the Governor.
- 34 (14) One representative of large business, which is a business
35 that employs more than 250 people, to be appointed by the Speaker
36 of the Assembly.
- 37 (15) One pharmacist, to be appointed by the Speaker of the
38 Assembly.
- 39 (c) In making appointments pursuant to this section, the
40 Governor, the Senate Committee on Rules, and the Speaker of the

1 Assembly shall make good faith efforts to ensure that their
2 appointments, as a whole, reflect, to the greatest extent feasible,
3 the social and geographic diversity of the state.

4 (d) Any member appointed by the Governor, the Senate
5 Committee on Rules, or the Speaker of the Assembly shall serve
6 a four-year term. These members may be reappointed for
7 succeeding four-year terms.

8 (e) Vacancies that occur shall be filled within 30 days after the
9 occurrence of the vacancy, and shall be filled in the same manner
10 in which the vacating member was initially selected or appointed.
11 The Secretary of California Health and Human Services shall notify
12 the appropriate appointing authority of any expected vacancies on
13 the public advisory committee.

14 (f) Members of the committee shall serve without compensation,
15 but shall be reimbursed for actual and necessary expenses incurred
16 in the performance of their duties to the extent that reimbursement
17 for those expenses is not otherwise provided or payable by another
18 public agency or agencies, and shall receive one hundred dollars
19 (\$100) for each full day of attending meetings of the committee.
20 For purposes of this section, “full day of attending a meeting”
21 means presence at, and participation in, not less than 75 percent
22 of the total meeting time of the committee during any particular
23 24-hour period.

24 (g) The public advisory committee shall meet at least six times
25 per year in a place convenient to the public. All meetings of the
26 committee shall be open to the public, pursuant to the
27 Bagley-Keene Open Meeting Act (Article 9 (commencing with
28 Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2).

29 (h) The public advisory committee shall elect a chairperson who
30 shall serve for two years and who may be reelected for an
31 additional two years.

32 (i) Appointed committee members shall have worked in the
33 field they represent on the committee for a period of at least two
34 years prior to being appointed to the committee.

35 (j) It is unlawful for the committee members or any of their
36 assistants, clerks, or deputies to use for personal benefit any
37 information that is filed with, or obtained by, the committee and
38 that is not generally available to the public.

39 100612. (a) The board shall have all powers and duties
40 necessary to establish and implement Healthy California under

1 this title. The program shall provide comprehensive universal
2 single-payer health care coverage and a health care cost control
3 system for the benefit of all residents of the state.

4 (b) The board shall, to the maximum extent possible, organize,
5 administer, and market the program and services as a single-payer
6 program under the name “HC,” “Healthy California,” or any other
7 name as the board determines, regardless of which law or source
8 the definition of a benefit is found, including, on a voluntary basis,
9 retiree health benefits. In implementing this title, the board shall
10 avoid jeopardizing federal financial participation in the programs
11 that are incorporated into Healthy California and shall take care
12 to promote public understanding and awareness of available
13 benefits and programs.

14 (c) The board shall consider any matter to effectuate the
15 provisions and purposes of this title. The board shall have no
16 executive, administrative, or appointive duties except as otherwise
17 provided by law.

18 (d) The board shall employ necessary staff and authorize
19 reasonable expenditures, as necessary, from the Healthy California
20 Trust Fund to pay program expenses and to administer the program.

21 (e) The board may do all of the following:

22 (1) Negotiate and enter into any necessary contracts, including,
23 but not limited to, contracts with health care providers, integrated
24 health care delivery systems, and care coordinators.

25 (2) Sue and be sued.

26 (3) Receive and accept gifts, grants, or donations of moneys
27 from any agency of the federal government, any agency of the
28 state, and any municipality, county, or other political subdivision
29 of the state.

30 (4) Receive and accept gifts, grants, or donations from
31 individuals, associations, private foundations, and corporations,
32 in compliance with the conflict-of-interest provisions to be adopted
33 by the board by regulation.

34 (5) Share information with relevant state departments, consistent
35 with the confidentiality provisions in this title, necessary for the
36 administration of the program.

37 (f) The board shall determine when individuals may begin
38 enrolling in the program. There shall be an implementation period
39 that begins on the date that individuals may begin enrolling in the
40 program and ends on a date determined by the board.

1 (g) A carrier may not offer benefits or cover any services for
2 which coverage is offered to individuals under the program, but
3 may, if otherwise authorized, offer benefits to cover health care
4 services that are not offered to individuals under the program.
5 However, this title does not prohibit a carrier from offering either
6 of the following:

7 (1) Any benefits to or for individuals, including their families,
8 who are employed or self-employed in the state but who are not
9 residents of the state.

10 (2) Any benefits during the implementation period to individuals
11 who enrolled or may enroll as members of the program.

12 (h) After the end of the implementation period, a person shall
13 not be a board member unless he or she is a member of the
14 program, except the ex officio member.

15 (i) No later than two years after the effective date of this section,
16 the board shall develop the following proposals:

17 (1) The board shall develop a proposal, consistent with the
18 principles of this title, for provision by the program of long-term
19 care coverage, including the development of a proposal, consistent
20 with the principles of this title, for its funding. In developing the
21 proposal, the board shall consult with an advisory committee,
22 appointed by the chairperson of the board, including representatives
23 of consumers and potential consumers of long-term care, providers
24 of long-term care, members of organized labor, and other interested
25 parties.

26 (2) The board shall develop proposals for both of the following:

27 (A) Accommodating employer retiree health benefits for people
28 who have been members of HC but live as retirees out of the state.

29 (B) Accommodating employer retiree health benefits for people
30 who earned or accrued those benefits while residing in the state
31 prior to the implementation of HC and live as retirees out of the
32 state.

33 (3) The board shall develop a proposal for HC coverage of health
34 care services currently covered under the workers' compensation
35 system, including whether and how to continue funding for those
36 services under that system and whether and how to incorporate an
37 element of experience rating.

38 100613. The board may contract with not-for-profit
39 organizations to provide both of the following:

1 (a) Assistance to consumers with respect to selection of a care
2 coordinator or health care organization, enrolling, obtaining health
3 care services, disenrolling, and other matters relating to the
4 program.

5 (b) Assistance to health care providers providing, seeking, or
6 considering whether to provide health care services under the
7 program, with respect to participating in a health care organization
8 and interacting with a health care organization.

9 100614. The board shall provide grants from funds in the
10 Healthy California Trust Fund or from funds otherwise
11 appropriated for this purpose to health planning agencies
12 established pursuant to Section 127155 of the Health and Safety
13 Code to support the operation of those health planning agencies.

14 100615. The board shall provide funds from the Healthy
15 California Trust Fund or funds otherwise appropriated for this
16 purpose to the Secretary of Labor and Workforce Development
17 for a program for retraining and assisting job transition for
18 individuals employed or previously employed in the fields of health
19 insurance, health care service plans, and other third-party payments
20 for health care or those individuals providing services to health
21 care providers to deal with third-party payers for health care, whose
22 jobs may be or have been ended as a result of the implementation
23 of the program, consistent with otherwise applicable law.

24 100616. (a) The board shall provide for the collection and
25 availability of all of the following data to promote transparency,
26 assess adherence to patient care standards, compare patient
27 outcomes, and review utilization of health care services paid for
28 by the program:

29 (1) Inpatient discharge data, including acuity and risk of
30 mortality.

31 (2) Emergency department and ambulatory surgery data,
32 including charge data, length of stay, and patients' unit of
33 observation.

34 (3) Hospital annual financial data, including all of the following:

35 (A) Community benefits by hospital in dollar value.

36 (B) Number of employees and classification by hospital unit.

37 (C) Number of hours worked by hospital unit.

38 (D) Employee wage information by job title and hospital unit.

39 (E) Number of registered nurses per staffed bed by hospital unit.

40 (F) Type and value of healthy information technology.

1 (G) Annual spending on health information technology,
2 including purchases, upgrades, and maintenance.

3 (b) The board shall make all disclosed data collected under
4 subdivision (a) publicly available and searchable through an
5 Internet Web site and through the Office of Statewide Health
6 Planning and Development public data sets.

7 (c) The board shall, directly and through grants to not-for-profit
8 entities, conduct programs using data collected through the Healthy
9 California program to promote and protect public, environmental,
10 and occupational health, including cooperation with other data
11 collection and research programs of the Office of Statewide Health
12 Planning and Development and the California Health and Human
13 Services Agency, consistent with this title and otherwise applicable
14 law.

15 (d) Prior to full implementation of the program, the board shall
16 provide for the collection and availability of data on the number
17 of patients served by hospitals and the dollar value of the care
18 provided, at cost, for all of the following categories of Office of
19 Statewide Health Planning and Development data items:

20 (1) Patients receiving charity care.

21 (2) Contractual adjustments of county and indigent programs,
22 including traditional and managed care.

23 (3) Bad debts.

24 100617. (a) Notwithstanding any other law, Healthy California,
25 any state or local agency, or a public employee acting under color
26 of law shall not provide or disclose to anyone, including, but not
27 limited to, the federal government any personally identifiable
28 information obtained, including, but not limited to, a person's
29 religious beliefs, practices, or affiliation, national origin, ethnicity,
30 or immigration status for law enforcement or immigration purposes.

31 (b) Notwithstanding any other law, law enforcement agencies
32 shall not use Healthy California moneys, facilities, property,
33 equipment, or personnel to investigate, enforce, or assist in the
34 investigation or enforcement of any criminal, civil, or
35 administrative violation or warrant for a violation of any
36 requirement that individuals register with the federal government
37 or any federal agency based on religion, national origin, ethnicity,
38 or immigration status.

CHAPTER 3. ELIGIBILITY AND ENROLLMENT

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100620. (a) Every resident of the state shall be eligible and entitled to enroll as a member under the program.

(b) (1) A member shall not be required to pay any fee, payment, or other charge for enrolling in or being a member under the program.

(2) A member shall not be required to pay any premium, copayment, coinsurance, deductible, and any other form of cost sharing for all covered benefits.

(c) A college, university, or other institution of higher education in the state may purchase coverage under the program for a student, or a student’s dependent, who is not a resident of the state.

CHAPTER 4. BENEFITS

100630. (a) Covered health care benefits under the program include all medical care determined to be medically appropriate by the member’s health care provider.

(b) Covered health care benefits for members shall include, but are not limited to, all of the following:

(1) Licensed inpatient and licensed outpatient medical and health facility services.

(2) Inpatient and outpatient professional health care provider medical services.

(3) Diagnostic imaging, laboratory services, and other diagnostic and evaluative services.

(4) Medical equipment, appliances, and assistive technology, including prosthetics, eyeglasses, and hearing aids and the repair, technical support, and customization needed for individual use.

(5) Inpatient and outpatient rehabilitative care.

(6) Emergency care services.

(7) Emergency transportation.

(8) Necessary transportation for health care services for persons with disabilities or who may qualify as low income.

(9) Child and adult immunizations and preventive care.

(10) Health and wellness education.

(11) Hospice care.

(12) Care in a skilled nursing facility.

- 1 (13) Home health care, including health care provided in an
2 assisted living facility.
- 3 (14) Mental health services.
- 4 (15) Substance abuse treatment.
- 5 (16) Dental care.
- 6 (17) Vision care.
- 7 (18) Prescription drugs.
- 8 (19) Pediatric care.
- 9 (20) Prenatal and postnatal care.
- 10 (21) Podiatric care.
- 11 (22) Chiropractic care.
- 12 (23) Acupuncture.
- 13 (24) Therapies that are shown by the National Institutes of
14 Health, National Center for Complementary and Integrative Health
15 to be safe and effective.
- 16 (25) Blood and blood products.
- 17 (26) Dialysis.
- 18 (27) Adult day care.
- 19 (28) Rehabilitative and habilitative services.
- 20 (29) Ancillary health care or social services previously covered
21 by county integrated health and human services programs pursuant
22 to Chapter 12.96 (commencing with Section 18986.60) and Chapter
23 12.991 (commencing with Section 18986.86) of Part 6 of Division
24 9 of the Welfare and Institutions Code.
- 25 (30) Ancillary health care or social services previously covered
26 by a regional center for persons with developmental disabilities
27 pursuant to Chapter 5 (commencing with Section 4620) of Division
28 4.5 of the Welfare and Institutions Code.
- 29 (31) Case management and care coordination.
- 30 (32) Language interpretation and translation for health care
31 services, including sign language and Braille or other services
32 needed for individuals with communication barriers.
- 33 (33) Health care and long-term supportive services currently
34 covered under Medi-Cal or the state's Children's Health Insurance
35 Program.
- 36 (34) Covered benefits for members shall also include all health
37 care services required to be covered under any of the following
38 provisions, without regard to whether the member would otherwise
39 be eligible for or covered by the program or source referred to:

- 1 (A) The state’s Children’s Health Insurance Program (Title XXI
- 2 of the *federal* Social Security Act (42 U.S.C. Sec. 1397aa et seq.)).
- 3 (B) Medi-Cal (Chapter 7 (commencing with Section 14000) of
- 4 Part 3 of Division 9 of the Welfare and Institutions Code).
- 5 (C) The federal Medicare program pursuant to Title XVIII of
- 6 the *federal* Social Security Act (42 U.S.C. Sec. 1395 et seq.).
- 7 (D) Health care service plans pursuant to the Knox-Keene Health
- 8 Care Service Plan Act of 1975 (Chapter 2.2 (commencing with
- 9 Section 1340) of Division 2 of the Health and Safety Code).
- 10 (E) Health insurers, as defined in Section 106 of the Insurance
- 11 Code, pursuant to Part 2 (commencing with Section 10110) of
- 12 Division 2 of the Insurance Code.
- 13 (F) Any additional health care services authorized to be added
- 14 to the program’s benefits by the program.
- 15 (G) All essential health benefits mandated by the Affordable
- 16 Care Act as of January 1, 2017.

17
18 CHAPTER 5. DELIVERY OF CARE

19
20 Article 1. Health Care Providers

- 21
- 22 100635. (a) (1) Any health care provider who is licensed to
- 23 practice in California and is otherwise in good standing is qualified
- 24 to participate in the program as long as the health care provider’s
- 25 services are performed within the State of California.
- 26 (2) The board shall establish and maintain procedures and
- 27 standards for recognizing health care providers located out of the
- 28 state for purposes of providing coverage under the program for
- 29 members who require out-of-state health care services while the
- 30 member is temporarily located out of the state.
- 31 (b) Any health care provider qualified to participate under this
- 32 section may provide covered health care services under the
- 33 program, as long as the health care provider is legally authorized
- 34 to perform the health care service for the individual and under the
- 35 circumstances involved.
- 36 (c) A member may choose to receive health care services under
- 37 the program from any participating provider, consistent with
- 38 provisions of this title, the willingness or availability of the
- 39 provider, subject to provisions of this title relating to

1 discrimination, and the appropriate clinically relevant
2 circumstances.

3 (d) A person who chooses to enroll with an integrated health
4 care delivery system, group medical practice, or essential
5 community provider that offers comprehensive services, shall
6 retain membership for at least one year after an initial three-month
7 evaluation period during which time the person may withdraw for
8 any reason.

9 (1) The three-month period shall commence on the date when
10 a member first sees a primary care provider.

11 (2) A person who wants to withdraw after the initial three-month
12 period shall request a withdrawal pursuant to the dispute resolution
13 procedures established by the board and may request assistance
14 from the patient advocate, which shall be provided for in the
15 dispute resolution procedures, in resolving the dispute. The dispute
16 shall be resolved in a timely fashion and shall not have an adverse
17 effect on the care a patient receives.

18

19

Article 2. Care Coordination

20

21 100637. (a) Care coordination shall be provided to the member
22 by his or her care coordinator. A care coordinator may employ or
23 utilize the services of other individuals or entities to assist in
24 providing care coordination for the member, consistent with
25 regulations of the board and with the statutory requirements and
26 regulations of the care coordinator's licensure.

27 (b) Care coordination includes administrative tracking and
28 medical recordkeeping services for members, except as otherwise
29 specified for integrated health care delivery systems.

30 (c) Care coordination administrative tracking and medical
31 recordkeeping services for members shall not be required to utilize
32 a certified electronic health record, meet any other requirements
33 of the federal Health Information Technology for Economic and
34 Clinical-Health, *Health Act*, enacted under the federal American
35 Recovery and Reinvestment Act of 2009 (Public Law 111-5), or
36 meet certification requirements of the federal Centers for Medicare
37 and Medicaid Services' Electronic Health Records Incentive
38 Programs, including meaningful use requirements.

39 (d) The care coordinator shall comply with all federal and state
40 privacy laws, including, but not limited to, the federal Health

1 Insurance Portability and Accountability Act (HIPAA; 42 U.S.C.
2 Sec. 1320d et seq.) and its implementing regulations, the
3 Confidentiality of Medical Information Act (Part 2.6 (commencing
4 with Section 56) of Division 1 of the Civil Code), the Insurance
5 Information and Privacy Protection Act (Article 6.6 (commencing
6 with Section 791) of Chapter 1 of Part 2 of Division 1 of the
7 Insurance Code), and Section 1798.81.5 of the Civil Code.

8 (e) Referrals from a care coordinator are not required for a
9 member to see any eligible provider.

10 (f) A care coordinator may be an individual or entity that is
11 approved by the program that is any of the following:

12 (1) A health care practitioner that is any of the following:

13 (A) The member's primary care provider.

14 (B) The member's provider of primary gynecological care.

15 (C) At the option of a member who has a chronic condition that
16 requires specialty care, a specialist health care practitioner who
17 regularly and continually provides treatment to the member for
18 that condition.

19 (2) An entity licensed pursuant to any of the following
20 provisions:

21 (A) Health facility, Chapter 2 (commencing with Section 1250)
22 of Division 2 of the Health and Safety Code.

23 (B) Health care service plan, Knox-Keene Health Care Service
24 Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340)
25 of Division 2 of the Health and Safety Code).

26 (C) Long-term health care facility, as defined in Section 1418
27 of the Health and Safety Code, or a program developed pursuant
28 to paragraph (1) of subdivision (i) of Section 100612, or a
29 long-term health care facility with respect to a member who
30 receives mental health care services.

31 (D) County medical facility, Chapter 2.5 (commencing with
32 Section 1440) of Division 2 of the Health and Safety Code.

33 (E) Residential care facility for persons with chronic,
34 life-threatening illness, Chapter 3.01 (commencing with Section
35 1568.01) of Division 2 of the Health and Safety Code.

36 (F) Alzheimer's day care resource center, Chapter 3.1
37 (commencing with Section 1568.15) of Division 2 of the Health
38 and Safety Code.

1 (G) Residential care facility for the elderly, Chapter 3.2
2 (commencing with Section 1569) of Division 2 of the Health and
3 Safety Code.

4 (H) Home health agency, Chapter 8 (commencing with Section
5 1725) of Division 2 of the Health and Safety Code.

6 (I) Private duty nursing agency, Chapter 8.3 (commencing with
7 Section 1743) of Division 2 of the Health and Safety Code.

8 (J) Hospice, Chapter 8.5 (commencing with Section 1745) of
9 Division 2 of the Health and Safety Code.

10 (K) Pediatric day health and respite care facility, Chapter 8.6
11 (commencing with Section 1760) of Division 2 of the Health and
12 Safety Code.

13 (L) Home care service, Chapter 13 (commencing with Section
14 1796.10) of Division 2 of the Health and Safety Code.

15 (M) Mental health care provider, pursuant to Division 4
16 (commencing with Section ~~4000~~ 4000) of the Welfare and
17 Institutions ~~Code~~: Code.

18 (3) A health care organization.

19 (4) A Taft-Hartley health and welfare fund, with respect to its
20 members and their family members. This provision does not
21 preclude a Taft-Hartley health and welfare fund from becoming a
22 care coordinator under paragraph (5) or a health care organization
23 under Section 100640.

24 (5) Any not-for-profit or governmental entity approved by the
25 program.

26 (g) (1) A health care provider shall only be reimbursed for
27 services if the member is enrolled with a care coordinator at the
28 time the health care service is provided.

29 (2) Every member shall be encouraged to enroll with a care
30 coordinator that agrees to provide care coordination prior to
31 receiving health care services to be paid for under the program. If
32 a member receives health care services before choosing a care
33 coordinator, the program shall assist the member, when appropriate,
34 with choosing a care coordinator.

35 (3) The member shall remain enrolled with that care coordinator
36 until the member becomes enrolled with a different care coordinator
37 or ceases to be a member. Members have the right to change their
38 care coordinators on terms at least as permissive as Medi-Cal
39 (Chapter 7 (commencing with Section 14000) of Part 3 of Division
40 9 of the Welfare and Institutions Code) relating to an individual

1 changing his or her primary care provider or managed care
2 provider.

3 (h) A health care organization may establish rules relating to
4 care coordination for members in the health care organization that
5 are different from this section but otherwise consistent with this
6 title and other applicable laws.

7 (i) This section does not authorize any individual to engage in
8 any act in violation of the provisions of Division 2 (commencing
9 with Section 500) of the Business and Professions Code.

10 (j) An individual or entity may not be a care coordinator unless
11 the services included in care coordination are within the
12 individual's professional scope of practice or the entity's legal
13 authority.

14 (k) (1) The board shall develop and implement procedures and
15 standards, by regulation, for an individual or entity to be approved
16 as a care coordinator in the program, including, but not limited to,
17 procedures and standards relating to the revocation, suspension,
18 limitation, or annulment of approval on a determination that the
19 individual or entity is incompetent to be a care coordinator or has
20 exhibited a course of conduct that is inconsistent with program
21 standards and regulations, or that exhibits an unwillingness to meet
22 those standards and regulations, or is a potential threat to the public
23 health or safety.

24 (2) The procedures and standards adopted by the board shall be
25 consistent with professional practice, licensure standards, and
26 regulations established pursuant to the Business and Professions
27 Code, the Health and Safety Code, the Insurance Code, and the
28 Welfare and Institutions Code, as applicable.

29 (3) In developing and implementing standards of approval of
30 care coordinators for individuals receiving chronic mental health
31 care services, the board shall consult with the Mental Health
32 Services Division of the State Department of Health Care Services
33 and the Director of Developmental Services.

34 (l) To maintain approval under the program, a care coordinator
35 shall do all of the following:

36 (1) Renew its status every three years pursuant to regulations
37 adopted by the board.

38 (2) Provide to the program any data required by the Office of
39 Statewide Health Planning and Development pursuant to Division
40 107 (commencing with Section 127000) of the Health and Safety

1 Code that would enable the board to evaluate the impact of care
2 coordinators on quality, outcomes, and cost of health care.

3

4 Article 3. Payment for Health Care Services and Care
5 Coordination

6

7 100639. (a) The board shall adopt regulations regarding
8 contracting for, and establishing payment methodologies for,
9 covered health care services and care coordination provided to
10 members under the program by participating providers, care
11 coordinators, and health care organizations. There may be a variety
12 of different payment methodologies, including those established
13 on a demonstration basis. All payment rates under the program
14 shall be reasonable and reasonably related to the cost of efficiently
15 providing the health care service and ensuring an adequate and
16 accessible supply of health care services.

17 (b) Health care services provided to members under the program,
18 except for care coordination, shall be paid for on a fee-for-service
19 basis unless and until another payment methodology is established
20 by the board.

21 (c) Notwithstanding subdivision (b), integrated health care
22 delivery systems, essential community providers, and group
23 medical practices that provide comprehensive, coordinated services
24 may choose to be reimbursed on the basis of a capitated system
25 operating budget or a noncapitated system operating budget that
26 covers all costs of providing health care services.

27 (d) The program shall engage in good faith negotiations with
28 health care providers' representatives under Chapter 8
29 (commencing with Section 100660), including, but not limited to,
30 in relation to rates of payment for health care services, rates of
31 payment for prescription and nonprescription drugs, and payment
32 methodologies. Those negotiations shall be through a single entity
33 on behalf of the entire program for prescription and nonprescription
34 drugs.

35 (e) (1) Payment for health care services established under this
36 title shall be considered payment in full.

37 (2) A participating provider shall not charge any rate in excess
38 of the payment established under this title for any health care
39 service provided to a member under the program and shall not

1 solicit or accept payment from any member or third party for any
2 health care service, except as provided under a federal program.

3 (3) However, this section does not preclude the program from
4 acting as a primary or secondary payer in conjunction with another
5 third-party payer when permitted by a federal program.

6 (f) The program may adopt, by regulation, payment
7 methodologies for the payment of capital-related expenses for
8 specifically identified capital expenditures incurred by
9 not-for-profit or governmental entities that are health facilities
10 pursuant to Chapter 2 (commencing with Section 1250) of Division
11 2 of the Health and Safety Code. Any capital-related expense
12 generated by a capital expenditure that requires prior approval
13 shall have received that approval in order to be paid by the
14 program. That approval shall be based on achievement of the
15 program standards described in Chapter 6 (commencing with
16 Section 100645).

17 (g) Payment methodologies and payment rates shall include a
18 distinct component of reimbursement for direct and indirect
19 graduate medical education.

20 (h) The board shall adopt, by regulation, payment methodologies
21 and procedures for paying for health care services provided to a
22 member while the member is located out of the state.

23

24 Article 4. Health Care Organizations

25

26 100640. (a) A member may choose to enroll with and receive
27 program care coordination and ancillary health care services from
28 a health care organization.

29 (b) A health care organization shall be a not-for-profit or
30 governmental entity that is approved by the board that is either of
31 the following:

32 (1) A county integrated health and human services program
33 under Chapter 12.96 (commencing with Section 18986.60) and
34 Chapter 12.991 (commencing with Section 18986.86) of Part 6 of
35 Division 9 of the Welfare and Institutions Code.

36 (2) A regional center for persons with developmental disabilities
37 under Chapter 5 (commencing with Section 4620) of Division 4.5
38 of the Welfare and Institutions Code.

39 (c) (1) The board shall develop and implement procedures and
40 standards, by regulation, for an entity to be approved as a health

1 care organization in the program, including, but not limited to,
2 procedures and standards relating to the revocation, suspension,
3 limitation, or annulment of approval on a determination that the
4 entity is incompetent to be a health care organization or has
5 exhibited a course of conduct that is inconsistent with program
6 standards and regulations, or that exhibits an unwillingness to meet
7 those standards and regulations, or is a potential threat to the public
8 health or safety.

9 (2) The procedures and standards adopted by the board shall be
10 consistent with professional practice and licensure standards
11 established pursuant to the Business and Professions Code, the
12 Health and Safety Code, the Insurance Code, and the Welfare and
13 Institutions Code, as applicable.

14 (3) In developing and implementing standards of approval of
15 health care organizations, the board shall consult with the Mental
16 Health Services Division of the State Department of Health Care
17 Services and the Director of Developmental Services.

18 (d) To maintain approval under the program, a health care
19 organization shall do both of the following:

20 (1) Renew its status at a frequency determined by the board.

21 (2) Provide data to the California Health and Human Services
22 Agency, as required by the board, to enable the board to evaluate
23 the health care organization in relation to the quality of health care
24 services, health care outcomes, and cost.

25 (e) The board may adopt narrowly focused regulations relating
26 solely to health care organizations for the sole and specific purpose
27 of ensuring consistent compliance with this title.

28 (f) This title may not be construed to alter in any way the
29 professional practice of health care providers or their licensure
30 standards established pursuant to Division 2 (commencing with
31 Section 500) of the Business and Professions Code.

32 (g) Health care organizations shall not use health information
33 technology or clinical practice guidelines that limit the effective
34 exercise of the professional judgment of physicians and registered
35 nurses. Physicians and registered nurses shall be free to override
36 health information technology and clinical practice guidelines if,
37 in their professional judgment, it is in the best interest of the patient
38 and consistent with the patient's wishes.

CHAPTER 6. PROGRAM STANDARDS

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100645. Healthy California shall establish a single standard of safe, therapeutic care for all residents of the state by the following means:

(a) The board shall establish requirements and standards, by regulation, for the program and for health care organizations, care coordinators, and health care providers, consistent with this title and consistent with the applicable professional practice and licensure standards of health care providers and health care professionals established pursuant to the Business and Professions Code, the Health and Safety Code, the Insurance Code, and the Welfare and Institutions Code, including requirements and standards for, as applicable:

(1) The scope, quality, and accessibility of health care services.

(2) Relations between health care organizations or health care providers and members.

(3) Relations between health care organizations and health care providers, including credentialing and participation in the health care organization, and terms, methods, and rates of payment.

(b) The board shall establish requirements and standards, by regulation, under the program that include, but are not limited to, provisions to promote all of the following:

(1) Simplification, transparency, uniformity, and fairness in health care provider credentialing and participation in health care organization networks, referrals, payment procedures and rates, claims processing, and approval of health care services, as applicable.

(2) In-person primary and preventive care, care coordination, efficient and effective health care services, quality assurance, and promotion of public, environmental, and occupational health.

(3) Elimination of health care disparities.

(4) Consistent with the Unruh Civil Rights Act (Section 51 of the Civil Code), nondiscrimination with respect to members and health care providers on the basis of race, color, ancestry, national origin, religion, citizenship, immigration status, primary language, mental or physical disability, age, sex, gender, sexual orientation, gender identity or expression, medical condition, genetic information, marital status, familial status, military or veteran status, or source of income; however, health care services provided

1 under the program shall be appropriate to the patient’s clinically
2 relevant circumstances.

3 (5) Accessibility of care coordination, health care organization
4 services, and health care services, including accessibility for people
5 with disabilities and people with limited ability to speak or
6 understand English.

7 (6) Providing care coordination, health care organization
8 services, and health care services in a culturally competent manner.

9 (c) The board shall establish requirements and standards, to the
10 extent authorized by federal law, by regulation, for replacing and
11 merging with the Healthy California program health care services
12 and ancillary services currently provided by other programs,
13 including, but not limited to, Medicare, the Affordable Care Act,
14 and federally matched public health programs.

15 (d) Any participating provider or care coordinator that is
16 organized as a for-profit entity shall be required to meet the same
17 requirements and standards as entities organized as not-for-profit
18 entities, and payments under the program paid to those entities
19 shall not be calculated to accommodate the generation of profit,
20 revenue for dividends, or other return on investment or the payment
21 of taxes that would not be paid by a not-for-profit entity.

22 (e) Every participating provider shall furnish information as
23 required by the Office of Statewide Health Planning and
24 Development pursuant to Division 107 (commencing with Section
25 127000) of the Health and Safety Code and permit examination
26 of that information by the program as may be reasonably required
27 for purposes of reviewing accessibility and utilization of health
28 care services, quality assurance, cost containment, the making of
29 payments, and statistical or other studies of the operation of the
30 program or for protection and promotion of public, environmental,
31 and occupational health.

32 (f) In developing requirements and standards and making other
33 policy determinations under this chapter, the board shall consult
34 with representatives of members, health care providers, care
35 coordinators, health care organizations, labor organizations
36 representing health care employees, and other interested parties.

CHAPTER 7. FUNDING

Article 1. Federal Health Programs and Funding

100650. (a) The board shall seek all federal waivers and other federal approvals and arrangements and submit state plan amendments as necessary to operate the program consistent with this title.

(b) (1) The board shall apply to the United States Secretary of Health and Human Services or other appropriate federal official for all waivers of requirements, and make other arrangements, under Medicare, any federally matched public health program, the Affordable Care Act, and any other federal programs that provide federal funds for payment for health care services that are necessary to enable all Healthy California members to receive all benefits under the program through the program, to enable the state to implement this title, and to allow the state to receive and deposit all federal payments under those programs, including funds that may be provided in lieu of premium tax credits, cost-sharing subsidies, and small business tax credits, in the State Treasury to the credit of the Healthy California Trust Fund, created pursuant to Section 100655, and to use those funds for the program and other provisions under this title.

(2) To the fullest extent possible, the board shall negotiate arrangements with the federal government to ensure that federal payments are paid to Healthy California in place of federal funding of, or tax benefits for, federally matched public health programs or federal health programs.

(3) The board may require members or applicants to provide information necessary for the program to comply with any waiver or arrangement under this title. Information provided by members to the board for the purposes of this subdivision shall not be used for any other purpose.

(4) The board may take any additional actions necessary to effectively implement Healthy California to the maximum extent possible as a single-payer program consistent with this title.

(c) The board may take actions consistent with this article to enable the program to administer Medicare in California, and the program shall be a provider of supplemental insurance coverage (Medicare Part B) and shall provide premium assistance drug

1 coverage under Medicare Part D for eligible members of the
2 program.

3 (d) The board may waive or modify the applicability of any
4 provisions of this section relating to any federally matched public
5 health program or Medicare, as necessary, to implement any waiver
6 or arrangement under this section or to maximize the federal
7 benefits to the program under this section, provided that the board,
8 in consultation with the Director of Finance, determines that the
9 waiver or modification is in the best interest of the state and
10 members affected by the action.

11 (e) The board may apply for coverage for, and enroll, any
12 eligible member under any federally matched public health program
13 or Medicare. Enrollment in a federally matched public health
14 program or Medicare shall not cause any member to lose any health
15 care service provided by the program or diminish any right the
16 member would otherwise have.

17 (f) (1) Notwithstanding any other law, the board, by regulation,
18 shall increase the income eligibility level, increase or eliminate
19 the resource test for eligibility, simplify any procedural or
20 documentation requirement for enrollment, and increase the
21 benefits for any federally matched public health program and for
22 any program in order to reduce or eliminate an individual's
23 coinsurance, cost-sharing, or premium obligations or increase an
24 individual's eligibility for any federal financial support related to
25 Medicare or the Affordable Care Act.

26 (2) The board may act under this subdivision, upon a finding
27 approved by the Director of Finance and the board that the action
28 does all of the following:

29 (A) Will help to increase the number of members who are
30 eligible for and enrolled in federally matched public health
31 programs, or for any program to reduce or eliminate an individual's
32 coinsurance, cost-sharing, or premium obligations or increase an
33 individual's eligibility for any federal financial support related to
34 Medicare or the Affordable Care Act.

35 (B) Will not diminish any individual's access to any health care
36 service or right the individual would otherwise have.

37 (C) Is in the interest of the program.

38 (D) Does not require or has received any necessary federal
39 waivers or approvals to ensure federal financial participation.

1 (3) Actions under this subdivision shall not apply to eligibility
2 for payment for long-term care.

3 (g) To enable the board to apply for coverage for, and enroll,
4 any eligible member under any federally matched public health
5 program or Medicare, the board may require that every member
6 or applicant provide the information necessary to enable the board
7 to determine whether the applicant is eligible for a federally
8 matched public health program or for Medicare, or any program
9 or benefit under Medicare.

10 (h) As a condition of continued eligibility for health care services
11 under the program, a member who is eligible for benefits under
12 Medicare shall enroll in Medicare, including Parts A, B, and D.

13 (i) The program shall provide premium assistance for all
14 members enrolling in a Medicare Part D drug coverage plan under
15 Section 1860D of Title XVIII of the *federal* Social Security Act
16 (42 U.S.C. Sec. 1395w-101 et seq.), limited to the low-income
17 benchmark premium amount established by the federal Centers
18 for Medicare and Medicaid Services and any other amount the
19 federal agency establishes under its de minimis premium policy,
20 except that those payments made on behalf of members enrolled
21 in a Medicare advantage plan may exceed the low-income
22 benchmark premium amount if determined to be cost effective to
23 the program.

24 (j) If the board has reasonable grounds to believe that a member
25 may be eligible for an income-related subsidy under Section
26 1860D-14 of Title XVIII of the *federal* Social Security Act (42
27 U.S.C. Sec. 1395w-114), the member shall provide, and authorize
28 the program to obtain, any information or documentation required
29 to establish the member's eligibility for that subsidy; however, the
30 board shall attempt to obtain as much of the information and
31 documentation as possible from records that are available to it.

32 (k) The program shall make a reasonable effort to notify
33 members of their obligations under this section. After a reasonable
34 effort has been made to contact the member, the member shall be
35 notified in writing that he or she has 60 days to provide the required
36 information. If the required information is not provided within the
37 60-day period, the member's coverage under the program may be
38 terminated. Information provided by members to the board for the
39 purposes of this section shall not be used for any other purpose.

1 (l) The board shall assume responsibility for all benefits and
2 services paid for by the federal government with those funds.

3
4 Article 2. The Healthy California Trust Fund
5

6 100655. (a) The Healthy California Trust Fund is hereby
7 created in the State Treasury for the purposes of this title.
8 Notwithstanding Section 13340, all moneys in the fund shall be
9 continuously appropriated without regard to fiscal year for the
10 purposes of this title. Any moneys in the fund that are unexpended
11 or unencumbered at the end of a fiscal year may be carried forward
12 to the next succeeding fiscal year.

13 (b) Notwithstanding any other law, moneys deposited in the
14 fund shall not be loaned to, or borrowed by, any other special fund
15 or the General Fund, or a county general fund or any other county
16 fund.

17 (c) The board shall establish and maintain a prudent reserve in
18 the fund.

19 (d) The board or staff of the board shall not utilize any funds
20 intended for the administrative and operational expenses of the
21 board for staff retreats, promotional giveaways, excessive executive
22 compensation, or promotion of federal or state legislative or
23 regulatory modifications.

24 (e) Notwithstanding Section 16305.7, all interest earned on the
25 moneys that have been deposited into the fund shall be retained
26 in the fund and used for purposes consistent with the fund.

27 (f) The fund shall consist of all of the following:

28 (1) All moneys obtained pursuant to legislation enacted as
29 proposed under Section 100657.

30 (2) Federal payments received as a result of any waiver of
31 requirements granted or other arrangements agreed to by the United
32 States Secretary of Health and Human Services or other appropriate
33 federal officials for health care programs established under
34 Medicare, any federally matched public health program, or the
35 Affordable Care Act.

36 (3) The amounts paid by the State Department of Health Care
37 Services that are equivalent to those amounts that are paid on behalf
38 of residents of this state under Medicare, any federally matched
39 public health program, or the Affordable Care Act for health

1 benefits that are equivalent to health benefits covered under Healthy
2 California.

3 (4) Federal and state funds for purposes of the provision of
4 services authorized under Title XX of the *federal* Social Security
5 Act (42 U.S.C. Sec. 1397 et seq.) that would otherwise be covered
6 under Healthy California.

7 (5) State moneys that would otherwise be appropriated to any
8 governmental agency, office, program, instrumentality, or
9 institution that provides health care services for services and
10 benefits covered under Healthy California. Payments to the fund
11 pursuant to this section shall be in an amount equal to the money
12 appropriated for those purposes in the fiscal year beginning
13 immediately preceding the effective date of this title.

14 (g) All federal moneys shall be placed into the Healthy
15 California Federal Funds Account, which is hereby created within
16 the Healthy California Trust Fund.

17 (h) Moneys in the fund shall only be used for the purposes
18 established in this title.

19

20 Article 3. Healthy California Financing

21

22 100657. (a) It is the intent of the Legislature to enact legislation
23 that would develop a revenue plan, taking into consideration
24 anticipated federal revenue available for the program. In developing
25 the revenue plan, it is the intent of the Legislature to consult with
26 appropriate officials and stakeholders.

27 (b) It is the intent of the Legislature to enact legislation that
28 would require all state revenues from the program to be deposited
29 in an account within the Healthy California Trust Fund to be
30 established and known as the Healthy California Trust Fund
31 Account.

32

33 CHAPTER 8. COLLECTIVE NEGOTIATION BY HEALTH CARE
34 PROVIDERS WITH HEALTHY CALIFORNIA

35

36 Article 1. Definitions

37

38 100660. For purposes of this chapter, the following definitions
39 apply:

1 (a) (1) “Health care provider” means a person who is licensed,
2 certified, registered, or authorized to practice a health care
3 profession pursuant to Division 2 (commencing with Section 500)
4 of the Business and Professions Code and who is any of the
5 following:

6 (A) An individual who practices that profession as a health care
7 provider or as an independent contractor.

8 (B) An owner, officer, shareholder, or proprietor of a health
9 care provider.

10 (C) An entity that employs or utilizes health care providers to
11 provide health care services, including, but not limited to, a health
12 facility licensed pursuant to Chapter 2 (commencing with Section
13 1250) of Division 2 of the Health and Safety Code.

14 (2) A health care provider under Division 2 (commencing with
15 Section 500) of the Business and Professions Code who practices
16 as an employee of a health care provider is not a health care
17 provider for purposes of this chapter.

18 (b) “Health care providers’ representative” means a third party
19 that is authorized by health care providers to negotiate on their
20 behalf with Healthy California over terms and conditions affecting
21 those health care providers.

22 (c) “Healthy California” or “HC” means the Healthy California
23 program established in Section 100601.

24
25 Article 2. Collective Negotiation Authorized

26
27 100662. (a) Health care providers may meet and communicate
28 for the purpose of collectively negotiating with Healthy California
29 on any matter relating to Healthy California, including, but not
30 limited to, rates of payment for health care services, rates of
31 payment for prescription and nonprescription drugs, and payment
32 methodologies.

33 (b) This chapter shall not be construed to allow or authorize an
34 alteration of the terms of the internal and external review
35 procedures set forth in law.

36 (c) This chapter shall not be construed to allow a strike of
37 Healthy California by health care providers related to the collective
38 negotiations.

39 (d) This chapter shall not be construed to allow or authorize
40 terms or conditions that would impede the ability of Healthy

1 California to obtain or retain accreditation by the National
2 Committee for Quality Assurance or a similar body, or to comply
3 with applicable state or federal law.

4

5 Article 3. Collective Negotiation Requirements

6

7 100664. (a) Collective negotiation rights granted by this
8 chapter shall meet all of the following requirements:

9 (1) Health care providers may communicate with other health
10 care providers regarding the terms and conditions to be negotiated
11 with HC.

12 (2) Health care providers may communicate with health care
13 providers' representatives.

14 (3) A health care providers' representative is the only party
15 authorized to negotiate with HC on behalf of the health care
16 providers as a group.

17 (4) A health care provider can be bound by the terms and
18 conditions negotiated by the health care providers' representatives.

19 (5) In communicating or negotiating with the health care
20 providers' representative, HC is entitled to offer and provide
21 different terms and conditions to individual competing health care
22 providers.

23 (b) This chapter does not affect or limit the right of a health care
24 provider or group of health care providers to collectively petition
25 a governmental entity for a change in a law, rule, or regulation.

26 (c) This chapter does not affect or limit collective action or
27 collective bargaining on the part of a health care provider with his
28 or her employer or any other lawful collective action or collective
29 bargaining.

30 100666. (a) Before engaging in collective negotiations with
31 HC on behalf of health care providers, a health care providers'
32 representative shall file with the board, in the manner prescribed
33 by the board, information identifying the representative, the
34 representative's plan of operation, and the representative's
35 procedures to ensure compliance with this chapter.

36 (b) Each person who acts as the representative of negotiating
37 parties under this chapter shall pay a fee to the board to act as a
38 representative. The board, by regulation, shall set fees in amounts
39 deemed reasonable and necessary to cover the costs incurred by
40 the board in administering this chapter.

Article 4. Prohibited Collective Action

100668. (a) This chapter does not authorize competing health care providers to act in concert in response to a health care providers’ representative’s discussions or negotiations with HC, except as authorized by other law.

(b) A health care providers’ representative shall not negotiate any agreement that excludes, limits the participation or reimbursement of, or otherwise limits the scope of services to be provided by any health care provider or group of health care providers with respect to the performance of services that are within the health care provider’s scope of practice, license, registration, or certificate.

CHAPTER 9. OPERATIVE DATE

100670. (a) Notwithstanding any other law, this title shall not become operative until the date the Secretary of California Health and Human Services notifies the Secretary of the Senate and the Chief Clerk of the Assembly in writing that he or she has determined that the Healthy California Trust Fund has the revenues to fund the costs of implementing this title.

(b) The California Health and Human Services Agency shall publish a copy of the notice on its Internet Web site.

SEC. 3. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SEC. 4. The Legislature finds and declares that Section 2 of this act, which adds Sections 100610 and 100617 to the Government Code, imposes a limitation on the public’s right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:


1 In order to protect private, confidential, and proprietary
2 information, it is necessary for that information to remain
3 confidential.

O



August 1, 2017

TO: Each Member
Board of Retirement
Board of Investments

FROM: Gregg Rademacher 
Chief Executive Officer, LACERA

FOR: August 9, 2017, Board of Investments Meeting
August 10, 2017, Board of Retirement Meeting

SUBJECT: **APPROVAL OF LACERA AND BARGAINING UNITS 850 AND 851
TENTATIVE AGREEMENT**

RECOMMENDATION

Direct management to join the Represented Employees in signing the Memorandums of Understanding incorporating the Tentative Agreements for LACERA Administrative, Technical, Clerical, and Blue Collar Bargaining Unit (Unit 850) and LACERA Supervisory Bargaining Unit (Unit 851). The Memorandums of Understanding will be effective January 1, 2017 through December 31, 2019.

INTRODUCTION

In August 2016, LACERA's Labor Negotiation Team commenced bargaining with LACERA Employees represented by SEIU Local 721 for a successor agreement to the Memorandums of Understanding (MOU) set to expire December 31, 2016. Following extensive negotiations, tentative terms of agreement were successfully reached on July 26, 2017. On July 27, 2017, the Represented Employees held a ratification election in which they accepted the terms of the tentative agreements. Upon your approval, the tentative agreements will be placed in Unit 850 and 851's MOUs to be signed by representatives of both negotiation teams and presented to the Los Angeles County Board of Supervisors (BOS) for their inclusion into the County Ordinance.

BACKGROUND

In May 2000, at the request of the County's Chief Administrative Office, the Los Angeles County Employees Relations Commission removed LACERA-unique classifications

from County Bargaining Units. This action was taken based upon a determination that the County should not be negotiating labor contracts for LACERA Employees. New bargaining units were formed to cover LACERA Represented Employees with the Board of Retirement and Board of Investments assuming the responsibility for bargaining with their Employees.

In December 2000, a LACERA Negotiation Team began bargaining with the Employees represented by SEIU Local 660. The labor negotiations successfully reached a tentative agreement; the Employees held a ratification election in which they accepted the tentative terms of the agreements. On June 13, 2001, LACERA Boards approved the MOUs covering the period of October 1, 2000 through December 31, 2004. On July 17, 2001 the BOS administratively approved the MOUs into the County Ordinance.

In October 2004, November 2006, September 2008, April 2011, and May 2013 LACERA's Labor Negotiation Teams entered into negotiations with the Employees represented by SEIU Local 721 (formerly Local 660) to reach successor agreements.

Each of these labor negotiations successfully produced tentative agreements by which Employees held ratification elections accepting the terms of the successor agreements. LACERA Boards have approved successor MOU agreements starting from the initial June 13, 2001 agreement that have been in effect through December 31, 2016. It is noted that January 1, 2016 was the last date Represented Staff received a negotiated across-the-board salary increase.

The current labor negotiations commenced to establish new Memorandums of Understanding due to their December 31, 2016 labor contract expiration.

Significant Terms of Tentative Agreement

The following are the significant terms from the tentative agreements that were reached on July 26, 2017 between Management and the Employees represented by SEIU Local 721 in Unit 850 and Unit 851:

1. A contract term beginning January 1, 2017 and ending December 31, 2019. The December 31, 2019 ending date will allow LACERA to trail the County of Los Angeles in future negotiations and better evaluate alignment with County pay levels and future County salary adjustments.
2. Employees in LACERA's Bargaining Units 850 and 851 shall receive the following salary increases:

- Effective January 1, 2017, salaries shall be increased by three and one-half percent (3.5%).
 - Effective January 1, 2018, salaries shall be increased by three and one-half percent (3.5%).
 - Effective January 1, 2019, salaries shall be increased by three and one-half percent (3.5%).
3. Employee Benefits shall remain the same as the County of Los Angeles for the term of the Agreement.
 4. The amount of funds that shall be made available for training and career development under the labor contracts for Represented Employees was increased from \$75,000 to \$100,000 per fiscal year. Both LACERA Bargaining Units will jointly share the amount.
 5. LACERA will provide SEIU Local 721 an accounting of training expenses semi-annually upon request.
 6. The Night Shift Differential pay shall be increased from fifty (50) to seventy-five (75) cents per hour.
 7. Bereavement Leave has been expanded to mirror the Los Angeles County's provision. Death of relatives applicable for bereavement leave shall include brother-in-law, sister-in-law, great-grandfather and great-grandmother.
 8. The MOU Family Leave Article has been updated to incorporate current Family Medical Leave Act and California Family Rights Act requirements covering domestic partner eligibility.
 9. Mileage reimbursement shall be paid at the IRS reimbursement rate in effect at the time of travel.
 10. LACERA shall provide SEIU Local 721 a status report concerning the use of Temporary Employees on a quarterly basis upon request.

Implementation Process

Upon your approval, LACERA's Human Resources and Legal Office will prepare and submit the necessary documentation to the BOS for their administrative approval of the MOUs into the County Ordinance.

Recognition

Staff would like to recognize the SEIU Local 721 Chief Negotiator, Renee Anderson, for her professionalism and dedication in reaching an agreement. Staff would also like to recognize your Boards' Chief Negotiator, Draza Mrvichin, whose guidance and knowledge in this process were immeasurable during this negotiation. And further thank the following Staff, from both sides of the negotiation table, who worked together to find common ground and reach agreement on the new LACERA labor contracts:

Management Representatives:

John Nogales	John Popowich	Robert Hill
Johanna Fontenot	Steven Rice	Annette Cleary
Rosalind White	Michael Cordial	

Employee Labor Representatives:

David Davidson	Margaret Chwa	Renee Pasqua
Nancy Harper		

Recommendation

It is recommended that your Boards:

Direct management to join the Represented Employees in signing the Memorandums of Understanding incorporating the Tentative Agreements for LACERA Administrative Technical, Clerical, and Blue Collar Bargaining Unit (Unit 850) and LACERA Supervisory Bargaining Unit (Unit 851). The Memorandums of Understanding will be effective January 1, 2017 through December 31, 2019.

Attachments: Cost to Fund Worksheet
 MOU Changes

**COST TO FUND
PROPOSED SALARY INCREASES
FOR REPRESENTED STAFF**

APPROXIMATE IMPACT TO LACERA BUDGET OVER TERM OF CONTRACT:

FISCAL YEAR 2017-2018 LACERA BUDGET

TOTAL NET OPERATING BUDGET: \$83,555,000

REPRESENTED STAFF SALARIES AND EMPLOYEE BENEFITS (S&EB)

GROSS SALARIES: \$13,934,000

EMPLOYEE BENEFITS: \$ 7,664,000

TOTAL S&EB: \$21,598,000

AFFECT ON BUDGET PER FISCAL YEAR

(Based on FY 2017-18 Budgeted Position Totals)

	<u>2016-2017*</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020**</u>
Increased Cost to Gross Salaries:	\$244,000	\$496,000	\$514,000	\$261,000
Increased Cost to Employee Benefits: (Factor Used: 55% of Gross Salaries)	<u>\$134,000</u>	<u>\$273,000</u>	<u>\$283,000</u>	<u>\$144,000</u>
Total S&EB Year-by-Year Increase:	<u>\$378,000</u>	<u>\$769,000</u>	<u>\$797,000</u>	<u>\$405,000</u>
*Six Month Period (01/01/17 to 06/30/17)				
**Six Month Period (07/01/19 to 12/31/19)				
Cumulative S&EB Increase to Gross Operating Budget:	<u>\$378,000</u>	<u>\$1,147,000</u>	<u>\$1,944,000</u>	<u>\$2,349,000</u>

MOU CHANGES

ARTICLE 2 – RECOGNITION

- 2.1 Pursuant to the provision of the Employee Relations Ordinance of the County of Los Angeles and applicable State law, Local 721, was certified by County's Employee Relations Commission as the exclusive representative of LACERA employees in the General Unit (hereinafter "unit"). Said Unit was previously found to be appropriate by the Employee Relations Commission and certified as Unit 850. LACERA hereby recognizes Local 721 as the certified exclusive representative of the employees in said Unit. The term "employee or "employees" as used herein shall refer only to employees employed by LACERA in said Unit in the employee classifications comprising said Unit as listed in ~~Article 7,~~ **SALARIES Appendix A**, as well as such classes as may be added or deleted hereafter by the Employee Relations Commission. The addition or deletion of classes is subject to the meet and confer process at the request of either party.

ARTICLE 5 – TERM

- 5.1 The term of this MOU shall commence on the date when the terms and conditions for its effectiveness, as set forth in Article 4, Implementation, are fully met, but in no event shall said MOU become effective prior to 12:01 a.m. on ~~January 16, 2014~~ January 1, 2017. This MOU shall expire and otherwise be fully terminated at 12:00 midnight on December 31, ~~2016~~ 2019.

ARTICLE 7 – SALARIES

7.1 General percentage increases

All employees covered under this Memorandum of Understanding shall receive the following salary increases during the term of this agreement **upon Union ratification and Board approval:**

- ~~a) Effective upon Union Ratification and Board approval, an across the board increase of 3%.~~
- ~~b) Starting January 1, 2015, and each year thereafter, during the term of this agreement, an across the board increase of 3% or the same as Los Angeles County (SEIU 721 Settlement across the board,) whichever is greater.~~
- a) **Effective January 1, 2017, an across the board increase of 3.5%.**
- b) **Effective January 1, 2018, an across the board increase of 3.5%.**
- c) **Effective January 1, 2019, an across the board increase of 3.5%**

7.2 Schedule placement

Salary schedule for each classification in this Unit can be found in Appendix (A)

- 7.3 If during the term of this contract a classification/compensation study for any classification or series is conducted, the parties shall meet to discuss the impact of the implementation of the findings.

ARTICLE 9 – SPECIAL PAY PRACTICES

9.1 Night Shift Differential

- A. The evening shift is a shift at least five-eighths of which falls between 4:00 p.m. and 11:00 p.m. The night shift is a shift at least five-eighths of which falls between 9:00 p.m. and 8:00 a.m.
- B. Effective the first day of the first pay period following approval of this MOU by the LACERA Boards employees who work an evening shift shall receive a premium of fifty (50) cents per hour.
- C. Effective the first day of the first pay period following approval of this MOU by the LACERA Boards employees who work a night shift shall receive a premium of ~~fifty (50)~~ **seventy-five (75)** cents per hour.

9.2 Superior Subordinate Pay

Effective the first day of the first pay period following approval of this MOU by the LACERA Boards a supervisor shall be compensated at a rate which is the greater of the Superior Subordinate Pay provided under Section 6.10.070 of the County Code equal to \$1.00 per month more than the base rate of his/her highest paid subordinate or paid additional compensation equal to two standard salary schedules as provided under Section 6.10.070 or 6.10.073 of the County Code above the supervisor's current base rate, when the qualifying conditions are met as provided by Section 6.10.070 of the County Code.

- 9.3 Any permanent, full time employee in one of the following classifications who possesses a valid Certified Employee Benefits Specialist designation from the International Foundation of Employee Benefit Plans shall be entitled to compensation at a rate two schedules higher than that established for the class:

<u>Title:</u>	<u>Item No.</u>
Retirement Benefits Specialist I	1309
Retirement Benefits Specialist II	1310
Retirement Benefits Specialist III	1311

- 9.4 Any permanent, full-time employee in one of the following classifications who possesses a valid Certified Public Accountant license issued by the State of California shall be entitled to compensation at a rate two schedules higher than that established for the class:

<u>Title:</u>	<u>Item No.</u>
Accountant	0415

- 9.5 Compensation paid pursuant to Sections 9.3 or 9.4 above shall commence on the first day of the first pay period following the day the employee presents the qualifying certification either to the Chief Executive Officer or designee.

9.6 If the Retirement Benefits Specialist classifications are reclassified during the term of this agreement they will continue to receive the compensation in 9.3 or 9.4 above.

ARTICLE 11 - LEAVES OF ABSENCE

11.1 Medical Leave

Pursuant to applicable provisions of the Civil Service Rules, Salary Ordinance, and other law, medical leaves of absence will be granted by LACERA upon request only upon submission of a doctor's certificate or other satisfactory medical evidence of the employee's need for such leave.

11.2 Educational Leave

Pursuant to applicable provisions of the Civil Service Rules, and subject to the staffing needs of LACERA, educational leaves will be granted to permanent employees upon presentation of a plan for schooling designed to improve the employee's value to LACERA, and evidence of acceptance by an accredited college or university.

11.3 Pregnancy Leave

The parties agree that the CEO or designee shall grant a leave of absence without pay to any full-time permanent employee who becomes disabled as a result of pregnancy, which disability prevents her from performing the duties of her position. Such leave must be requested in writing by the employee and will be granted pursuant to Civil Service Rules and such procedures as are determined by the CEO or designee.

The parties further agree that upon commencement of an authorized pregnancy leave of absence, any full-time permanent employee disabled as a result of pregnancy, which disability prevents her from performing the duties of her position as certified by her primary care giver (physician, nurse practitioner or nurse mid-wife), may use sick leave benefits for which she is otherwise eligible in the same manner as for any other disability resulting from sickness or injury. Additionally, the employee may use accrued vacation, holiday or compensatory time when on an authorized pregnancy leave of absence during such period of disability.

11.4 Employee Organizational Leave

Except by mutual agreement Local 721 may not have more than two (2) LACERA employees on leave of absence to accept employment with Local 721. One employee may be from this Unit and one from the Supervisory Unit or any combination that does not exceed two employees on leave from LACERA. These leaves are subject to the Civil Service Rules.

The employee must have a minimum of one (1) year's continuous employment with LACERA. The requested leave shall only be granted if the prime reason for the leave shall be to conduct Local 721 business as it is related to County of Los Angeles or LACERA functions. For all purposes while on such leave the worker shall be an employee of Local 721 and not of LACERA. During the leave the worker shall continue to receive full

salary, benefits and accruals from LACERA, but the cost of providing such salary benefits and accruals shall be fully reimbursed by Local 721.

11.5 Jury Duty

During the time an employee is actually reporting to the court for jury duty and following receipt of "Certificate of Jury Service" (jury form 4), the CEO or designee will convert the employee's usual shift to a regular five-day Monday through Friday day-shift basis.

Any person holding a permanent position ordered to serve on a jury shall be entitled to his/her regular pay provided the employee deposits his/her fees for service, other than mileage, with the department.

11.6 Witness Leave

Whenever any full-time permanent employee is required to be absent from work by a proper subpoena, issued by a court or commission legally empowered to subpoena witnesses, which compels the employee's presence as a witness, unless the employee is a party or an expert witness, the employee shall be allowed the time necessary to be absent from work at the employee's regular pay to comply with such subpoena, provided the employee deposits any witness fees, except mileage, with LACERA.

11.7 Family Leave

A. The parties agree that employees, including registered domestic partners, covered by this MOU are subject to the provision of the State Family Rights Act of ~~1994~~ **1993 (CFRA)** and the Federal Family and Medical Leave Act of 1993 (**FMLA**), **as amended and the California Fair Employment and Housing Act (FEHA) Pregnancy Disability Leave (PDL).**

Nothing in this Section is intended to provide additional benefits beyond what is mandated by Federal and/or State law, **except that a domestic partner and their children may qualify an employee as eligible for FMLA/CFRA.**

B. The parties agree that within sixty (60) days of implementation of this contract, upon the request of the employee, LACERA shall provide the employee with a summary of the Family Leave Policy Guidelines.

C. Absences incurred for a Family Leave qualifying reason may not be used for purposes of placing or keeping an employee on certified time or cited or referenced in any Performance Evaluation or Appraisal of Promotability. Employees on certified time with FMLA qualifying absences shall not be required to provide medical certifications for those FMLA absences above and beyond the medical certification requirements in the LACERA Family Leave Policy.

D. An employee shall be entitled to file a grievance for violation of this Article in addition to the rights provided by law.

11.8 Bereavement Leave

In the event of death of father, mother, stepfather, stepmother, father-in-law, mother-in-law, brother, sister, **brother-in-law, sister-in-law,** husband, wife, child, stepchild, **great-grandfather, great-grandmother,** grandfather, grandmother, grandchild, or domestic partner and domestic partner's father, mother, stepfather, stepmother, child, stepchild, and grandchild.

The parties further agree that effective January 1, 1999, if an employee is required to travel a minimum of 500 miles one way he or she shall be eligible to receive two (2) additional working days of bereavement leave for a total of five (5) days. In addition, the employee shall be allowed use of other paid or unpaid leave if one way travel over 500 miles is required.

Nothing in this Article precludes an employee from requesting additional time off for bereavement as defined above. If granted by Management, such additional time off for bereavement shall be charged to the employee's accrued vacation, overtime, personal leave, or holiday time or taken as time without pay, as elected by the employee.

Submission of proof of death of the family member or domestic partner, such as a copy of the obituary, death certificate, or order of service, may be required by LACERA management.

11.9 Military Leave

LACERA shall comply with the requirements of applicable provisions of County, State, and Federal laws and Ordinances relating to employees who are called to serve in the National Guard or the Armed Forces of the United States.

ARTICLE 12 - EMPLOYEE BENEFITS

- 12.1 The parties agree that the provisions of the Memoranda of Understanding regarding Fringe Benefits, **Mileage** and Retirement between the County of Los Angeles and SEIU Local 721, AFL-CIO in effect during the term of this MOU shall apply to employees in this unit. **Mileage reimbursement shall be paid at the IRS reimbursement rate in effect at the time of travel.**

ARTICLE 13 - BULLETIN BOARDS

- 13.1 Management will furnish adequate bulletin board space to SEIU Local 721 where there are existing bulletin boards for the employees in this Unit and where adequate bulletin board space has not yet been made available.

The boards shall be used for the following subjects:

- A. ~~LACEA~~ SEIU Local 721, ~~SEIU~~, recreational, social and related ~~LACEA~~, SEIU Local 721 ~~SEIU~~ news bulletins;
 - B. Scheduled LACERA SEIU Local 721, ~~SEIU~~ Meetings;
 - C. Information concerning ~~LACEA~~ SEIU Local 721, ~~SEIU~~, elections or the results thereof;
 - D. Reports of official business of ~~LACEA~~ SEIU Local 721, ~~SEIU~~ including ~~LACEA~~, SEIU Local 721, ~~SEIU~~ Newsletters, reports of committees or the Board of Directors; and
 - E. Any other written material which first has been approved and initialed by the CEO or designee. The CEO or designee must either approve or disapprove a request for posting within 24 hours, excluding Saturday, Sunday and legal holidays from the receipt of the material and the request to post it. Failure to do so will be considered approval to post the material.
- 13.2 The CEO or designee will approve all reasonable requests.
- 13.3 The parties may mutually waive the provisions of this Article if a satisfactory posting policy on bulletin boards is currently in effect.
- 13.4 Posting of Notices

Notices of Civil Service examinations, departmental and inter-departmental vacancy within LACERA shall be posted through bulletin boards and electronic mail by LACERA within a reasonable time after receipt. Notices of Civil Service examinations, departmental and interdepartmental vacancy notices and LACERA eligibility lists shall be made available, upon request.

The parties agree that the provision of Section 13.4 shall not be grievable nor arbitral, and are, therefore, expressly excluded from the grievance and arbitration provisions of this MOU.

ARTICLE 18 - TRAINING AND CAREER DEVELOPMENT

LACERA and Local 721 recognize the importance of training and career development of employees within the Unit to have a stable, highly qualified and effective workforce in the delivery of LACERA services.

18.1 Technological Change

As new technology is introduced in the work environment and is required to be used by specific employees, LACERA will make reasonable efforts to train the affected employees in the new technology.

18.2 Training Opportunities

An employee in the unit may request to participate in training programs, symposiums, seminars, conferences and meetings which will lead to an increase in the skills, knowledge and understanding of the employee's current job assignment. An employee may also participate in training activities that enhance succession planning or current career development. Employee training request for LACERA time to attend such programs shall be subject to LACERA approval.

18.3 In-Service Training

LACERA agrees to continue in-service training programs which are in effect at the time this MOU is implemented until their terms have expired, and also to encourage the establishment of in-service training programs in areas and classifications where possible. LACERA agrees to make information concerning in-service training programs available to employees.

18.4 Training Expenses

LACERA will make up to ~~\$75,000~~ \$100,000 available for training each year of the term of this MOU. Both Local 721 represented LACERA Units share the ~~\$75,000~~ \$100,000.

18.5 Accounting

LACERA will provide Local 721 an accounting of training expenses (18.4) semi-annually upon request.

23.8 Arbitration

1. Within thirty (30) business days from the receipt of the written decision of the CEO or his/her designated representative, Local 721 may request that the grievance be submitted to arbitration as provided for hereinafter.
2. Only those grievances, which directly concern or involve the interpretation or application of the specific terms and provisions of this MOU, may be submitted to arbitration hereunder. In no event shall such arbitration extend to:
 - A. The interpretation, application, merits or legality of any state or local law or ordinance, including specifically all ordinances adopted by County's Board of Supervisor or the Board of Retirement or Board of Investments; unless the arbitrator, in his/her discretion, finds it necessary to interpret or apply such state or local law to resolve the grievance which has been submitted to the arbitrator.
 - B. The interpretation, application, merits, or legality of any or all of the County of Los Angeles Civil Service Rules, nor matters under the jurisdiction of the Civil Service Commission for which said Commission has established procedures or processes by which employees or employee organizations may appeal to, or request review by, said Civil Service Commission, including, but not limited to: discharges, reductions, or suspensions of more than five (5) days of permanent employees, appraisals of promotability, or complaints involving alleged employment discrimination within the meaning of Civil Service Rule 25.
 - C. The interpretation, application, merits or legality of the rules or regulations of the CEO, the Chief **Administrative Executive** Office, or any other County Department, agency, or commission, unless the arbitrator, in his/her discretion, finds it necessary to interpret or apply such rules or regulations to resolve the grievance which has been submitted to the arbitrator.
 - D. Grievances on competent or better performance evaluations which do not meet the guidelines set forth at the Employee Relations Commission meeting of December 19, 1986. LACERA shall notify Local 721 within fifteen business days prior to the hearing if it intends to argue arbitrability. Both parties reserve the right to challenge a Commission decision in other forums.
3. In the event Local 721 desires to request that a grievance, which meets the requirement of Paragraph 2 hereof, be submitted to arbitration, it shall within the time requirements set forth above send a written request to County's Employee Relations Commission, with a copy thereof simultaneously transmitted to the CEO or designee. The written request shall set forth the specific issue or issues still unresolved through the grievance procedure and which are to be submitted to arbitration.

ARTICLE 25 - EXPEDITED ARBITRATION

- 25.1 This is an alternate to the procedure set forth in Section 8, Arbitration, of Article 23, Grievance Procedure and will only be utilized upon mutual written agreement of the parties.
- 25.2 A joint submission statement setting forth the issue(s) to be determined will be prepared prior to the hearing by an arbitrator. If the parties cannot agree to a submission statement, the expedited arbitration procedure will not be utilized.
- 25.3 Only those grievances which directly concern or involve the interpretation or application of the specific terms and provisions of this MOU may be submitted to arbitration hereunder. In no event shall such arbitration extend to:
- A. The interpretation, application, merits or legality of any state or local law or ordinance, including specifically all ordinances adopted by County's Board of Supervisors; unless the arbitrator, in his/her discretion, finds it necessary to interpret or apply such state or local law to resolve the grievance which has been submitted to the arbitrator.
 - B. The interpretation, application, merits, or legality of any or all of the County of Los Angeles Civil Service Rules, nor matters under the jurisdiction of the Civil Service Commission for which said Commission has established procedures or processes by which employees or employee organizations may appeal to, or request review by said Civil Service Commission, including, but not limited to, discharges, reductions and discrimination: nor
 - C. The interpretation, application, merits or legality of the rules or regulations of the CEO or designee, the Chief **Administrative Executive** Office, or any other County department agency or commission, unless the arbitrator, in his/her discretion, finds it necessary to interpret or apply such rules or regulations to resolve the grievance which has been submitted to the arbitrator.
- 25.4 It is agreed that representatives of LACERA and Local 721, SEIU will meet and attempt to implement the procedure within sixty (60) business days from the implementation date of the MOU.
- 25.5 The parties shall select an arbitrator from the panel of arbitrators previously agreed to by the parties and established for the purpose of conducting expedited arbitration proceedings:
- A. The arbitrator will be compensated at the contracted for flat daily rate. The cost of the arbitrator shall be borne equally by the parties. In addition, each party shall pay for all fees and expenses incurred by that party on its behalf, including but not limited to witness fees.

ARTICLE 39 – TEMPORARY EMPLOYEES

- 39.1 Quarterly, upon request, LACERA shall give Local 721 a status report concerning the use of temporary employees. Such report shall include county and agency temporary employees, show the number of temporary employees, the classification of each, the starting and ending date of the employee, and the status of that temporary employee.

ARTICLE 41 - ENHANCED VOLUNTARY TIME-OFF PROGRAM

Program Description:

EVTO is a special temporary program through which employees may individually volunteer to help reduce County expenditures during periods of budgetary shortfall by taking one or more unpaid leaves of absence without the full loss of benefits usually associated with unpaid leave. This program will assist in achieving budgetary savings without significant adverse impact on critical public services.

Program Requirements:

The EVTO program includes the following elements and requirements:

EVTO shall be available to employees for the fiscal years 1992-93 and 1993-94 and will commence upon Board approval. This program may be offered in fiscal years beyond 1993-94 subject to Board Approval.

To maintain critical public services, all requests by employees for unpaid EVTO leave must be in writing and be approved in advance by the CEO or his/her designee.

During specific times each fiscal year, employees who wish to participate in EVTO will pledge the number of hours to be taken as EVTO. This will assist the department in determining project savings.

In the event of an industrial injury or unforeseen hardship which significantly impacts an employee's decision to request EVTO, such employee shall be able to rescind or modify his or her EVTO pledge. However, a change or modification in scheduling days off must be approved by management.

In the event of an emergency affecting public health or safety, a division may rescind all or part of any EVTO pledge, and require such employee to return to work immediately. Nothing in this paragraph reduces the authority of the CEO to terminate any leave of absence as described in Civil Service Rule 16.04.

An employee may take up to 60 calendar days of EVTO each fiscal year during this program (see below for EVTO after 60 days) with the following benefit guarantees:

EVTO may be taken as 60 or fewer consecutive calendar days; as a reduced workweek schedule (4/36 or other); or as occasional days off with Management approval.

EVTO will not affect flexible benefits plan County contributions or vacation and sick leave accrual. However, employees may wish to schedule occasional EVTO days to avoid loss of pay for weekend and holiday days.

An employee will receive retirement credit for each month in which the employee has any retirement eligible earnings. In the event the employee's earnings are less than enough to pay the employee contribution to LACERA, the employee may pay the required employee contribution directly to LACERA to receive retirement credit for that month. Such payments shall be made within 30 days following the end of the month in which the contribution was not made.

EVTO will not constitute a break in service and will count towards time in service for step advancement and continuous service date.

An employee may take a total of one year of EVTO with the following parameters:

A full year of EVTO will not constitute a break in service and will count towards time in service for step advancement and continuous service date.

After the first 60 days of EVTO, the 60-day EVTO benefit guarantees will not apply.

Retirement service credit will not accrue during this period.

FLSA Non-exempt employees may request EVTO in increments as little as one hour.

EVTO is granted without requiring employees to first use accumulated vacation compensatory time-off.

EVTO is not available to employees on any other paid or unpaid leave.

The CEO may continue to approve other unpaid leave of absences.

If the employee's request is not approved, Management will respond in writing to the employee giving the reason(s) for denial.

EVTO will be actively encouraged by Management and Local 721 to achieve savings.

Special Unpaid Voluntary Time-Off (60)-Day Program

Benefits Protected

Vacation Accrual

Sick Leave Accrual

Savings and Horizons Plan*
Flexible Benefit Contributions
Step Advance
Retirement Service Credit**
Military Leave

Benefits Not Protected

Jury Leave
Bereavement Leave
Witness Leave
Civil Service Examination Leave
Weekend Pay
Holiday Pay

* County matching contributions will continue (unless deferred or suspended) in any month in which the employee contributes to the plan.

** Retirement Service Credit for plans A-D **and plan G** will accrue for any month in which an employee receives retirement eligible earnings and earns sufficient salary to pay employee LACERA contribution, or makes such contribution other than with County earnings.

For Retirement Plan E, service credit will not accrue for any month in which an employee has no retirement eligible earnings.

**LACERA ADMINISTRATIVE, TECHNICAL, CLERICAL AND BLUE
COLLAR BARGAINING UNIT 850**

APPENDIX A

SALARY SCHEDULE

Appendix (A)
Salary Schedule Unit 850

Item No.	Classification	Date	Salary Schedule
0411	Account Clerk I, LACERA	1/1/16	68D NMV
		1/1/17	69G NMV
		1/1/18	70K NMV
		1/1/19	72B NMV
0412	Account Clerk II, LACERA	1/1/16	71C NMV
		1/1/17	72F NMV
		1/1/18	73J NMV
		1/1/19	75A NMV
0415	Accountant , LACERA	1/1/16	87A NM
		1/1/17	88D NM
		1/1/18	89G NM
		1/1/19	90K NM
0413	Accounting Technician I, LACERA	1/1/16	78F NM
		1/1/17	79J NM
		1/1/18	81A NM
		1/1/19	82D NM
0419	Administrative Services Analyst I, LACERA	1/1/16	78D N2M
		1/1/17	79G N2M
		1/1/18	80K N2M
		1/1/19	82B N2M
0420	Administrative Services Analyst II, LACERA	1/1/16	87H NM
		1/1/17	88L NM
		1/1/18	90C NM
		1/1/19	91F NM
0421	Administrative Services Analyst III, LACERA	1/1/16	91H NM
		1/1/17	92L NM
		1/1/18	94C NM
		1/1/19	95F NM
0456	Assistant Data Systems Analyst, LACERA	1/1/16	93L NM
		1/1/17	95C NM
		1/1/18	96F NM
		1/1/19	97J NM

Item No.	Classification	Date	Salary Schedule
0428	Clerk, LACERA	1/1/16	57B N3MV
		1/1/17	58E N3MV
		1/1/18	59H N3MV
		1/1/19	60L N3MV
0457	Data Systems Analyst I, LACERA	1/1/16	96L NM
		1/1/17	98C NM
		1/1/18	99F NM
		1/1/19	100J NM
0458	Data Systems Analyst II, LACERA	1/1/16	99G NM
		1/1/17	100K NM
		1/1/18	102B NM
		1/1/19	103E NM
0790	Disability Retirement Support Specialist I, LACERA	1/1/16	87H NM
		1/1/17	88L NM
		1/1/18	90C NM
		1/1/19	91F NM
0471	Document Processing Assistant, LACERA	1/1/16	74G NM
		1/1/17	75K NM
		1/1/18	77B NM
		1/1/19	78E NM
0451	EDP Programmer Analyst, LACERA	1/1/16	97A N2M
		1/1/17	98D N2M
		1/1/18	99G N2M
		1/1/19	100K N2M
0452	EDP Senior Programmer Analyst, LACERA	1/1/16	102A NM
		1/1/17	103D NM
		1/1/18	104G NM
		1/1/19	105K NM
7956	Graphic Artist, LACERA	1/1/16	87E NM
		1/1/17	88H NM
		1/1/18	89L NM
		1/1/19	91C NM
0429	Intermediate Clerk, LACERA	1/1/16	67J NMV
		1/1/17	69A NMV
		1/1/18	70D NMV
		1/1/19	71G NMV

Item No.	Classification	Date	Salary Schedule
0443	Intermediate Stenographer, LACERA	1/1/16	73B N2MV
		1/1/17	74E N2MV
		1/1/18	75H N2MV
		1/1/19	76L N2MV
0445	Intermediate Typist-Clerk, LACERA	1/1/16	68H NM
		1/1/17	69L NM
		1/1/18	71C NM
		1/1/19	72F NM
0789	Media Artist, LACERA	1/1/16	93H NM
		1/1/17	94L NM
		1/1/18	96C NM
		1/1/19	97F NM
0461	Messenger Driver, LACERA	1/1/16	68B NM
		1/1/17	69E NM
		1/1/18	70H NM
		1/1/19	71L NM
0433	Payroll Clerk I, LACERA	1/1/16	74C NMV
		1/1/17	75F NMV
		1/1/18	76J NMV
		1/1/19	78A NMV
0463	Procurement Assistant I, LACERA	1/1/16	78A NM
		1/1/17	79D NM
		1/1/18	80G NM
		1/1/19	81K NM
0464	Procurement Assistant II, LACERA	1/1/16	82A NM
		1/1/17	83D NM
		1/1/18	84G NM
		1/1/19	85K NM
0467	Procurement & Supply Clerk, LACERA	1/1/16	75E NM
		1/1/17	76H NM
		1/1/18	77L NM
		1/1/19	79C NM
0466	Receptionist, LACERA	1/1/16	69H NM
		1/1/17	70L NM
		1/1/18	72C NM
		1/1/19	73F NM

Item No.		Date	Salary Schedule
1309	Retirement Benefits Specialist I	1/1/16 1/1/17 1/1/18 1/1/19	77F NM 78J NM 80A NM 81D NM
1310	Retirement Benefits Specialist II	1/1/16 1/1/17 1/1/18 1/1/19	83F NM 84J NM 86A NM 87D NM
1311	Retirement Benefits Specialist III	1/1/16 1/1/17 1/1/18 1/1/19	90A NM 91D NM 92G NM 93K NM
0438	Secretary, LACERA	1/1/16 1/1/17 1/1/18 1/1/19	77D NMV 78G NMV 79K NMV 81B NMV
0430	Senior Clerk, LACERA	1/1/16 1/1/17 1/1/18 1/1/19	72C NMV 73F NMV 74J NMV 76A NMV
0455	Senior Systems Aid, LACERA	1/1/16 1/1/17 1/1/18 1/1/19	83F NM 84J NM 86A NM 87D NM
0446	Senior Typist-Clerk, LACERA	1/1/16 1/1/17 1/1/18 1/1/19	73B NMV 74E NMV 75H NMV 76L NMV
0426	Staff Assistant I, LACERA	1/1/16 1/1/17 1/1/18 1/1/19	79E NM 80H NM 81L NM 83C NM
0427	Staff Assistant II, LACERA	1/1/16 1/1/17 1/1/18 1/1/19	86E NM 87H NM 88L NM 90C NM

Item No.	Classification	Date	Salary Schedule
0454	Systems Aid, LACERA	1/1/16	77F NM
		1/1/17	78J NM
		1/1/18	80A NM
		1/1/19	81D NM
0444	Typist-Clerk, LACERA	1/1/16	60G N3MV
		1/1/17	61K N3MV
		1/1/18	63B N3MV
		1/1/19	64E N3MV
0788	Web Designer, LACERA	1/1/16	96D NM
		1/1/17	97G NM
		1/1/18	98K NM
		1/1/19	100B NM
0787	Web Support Technician, LACERA	1/1/16	89K NM
		1/1/17	91B NM
		1/1/18	92E NM
		1/1/19	93H NM
0447	Word Processor I, LACERA	1/1/16	72F NM
		1/1/17	73J NM
		1/1/18	75A NM
		1/1/19	76D NM
0448	Word Processor II, LACERA	1/1/16	76F NM
		1/1/17	77J NM
		1/1/18	79A NM
		1/1/19	80D NM
0785	Writer I, LACERA	1/1/16	84G NM
		1/1/17	85K NM
		1/1/18	87B NM
		1/1/19	88E NM
0786	Writer II, LACERA	1/1/16	89K NM
		1/1/17	91B NM
		1/1/18	92E NM
		1/1/19	93H NM

LACERA SUPERVISORY BARGAINING UNIT 851

APPENDIX A

SALARY SCHEDULE

Appendix A
Salary Schedule Unit 851

Item No.	Classification	Date	Salary Schedule
0417	Accounting Officer I, LACERA	1/1/16	95H NM
		1/1/17	96L NM
		1/1/18	98C NM
		1/1/19	99F NM
0418	Accounting Officer II, LACERA	1/1/16	99D NM
		1/1/17	100g NM
		1/1/18	101K NM
		1/1/19	103B NM
0414	Accounting Technician II, LACERA	1/1/16	78D NM
		1/1/17	79G NM
		1/1/18	80K NM
		1/1/19	82B NM
0791	Disability Retirement Support Specialist II, LACERA	1/1/16	91K NM
		1/1/17	93B NM
		1/1/18	94E NM
		1/1/19	95H NM
0472	Document Processing Coordinator, LACERA	1/1/16	77G NM
		1/1/17	78K NM
		1/1/18	80B NM
		1/1/19	81E NM
0432	Intermediate Supervising-Clerk, LACERA	1/1/16	76A NMV
		1/1/17	77D NMV
		1/1/18	78G NMV
		1/1/19	79K NMV
0416	Senior Accountant, LACERA	1/1/16	91C NM
		1/1/17	92F NM
		1/1/18	93J NM
		1/1/19	95A NM
0468	Senior Procurement and Supply Clerk, LACERA	1/1/16	79E NM
		1/1/17	80H NM
		1/1/18	81L NM
		1/1/19	83C NM

Item No.	Classification	Date	Salary Schedule
1312	Senior Retirement Benefits Specialist	1/1/16	95F NM
		1/1/17	96J NM
		1/1/18	98A NM
		1/1/19	99D NM
0422	Supervising Administrative Assistant I, LACERA	1/1/16	91K NM
		1/1/17	93B NM
		1/1/18	94E NM
		1/1/19	95H NM
0431	Supervising Clerk, LACERA	1/1/16	72C NMV
		1/1/17	73F NMV
		1/1/18	74J NMV
		1/1/19	76A NMV
0462	Supervisor, Mail & Delivery Service, LACERA	1/1/16	
		1/1/17	
		1/1/18	
		1/1/19	



August 1, 2017

TO: Each Member
Board of Retirement
Board of Investments

FROM: Gregg Rademacher 
Chief Executive Officer, LACERA

FOR: August 9, 2017, Board of Investments Meeting
August 10, 2017, Board of Retirement Meeting

SUBJECT: **NON-REPRESENTED AND MANAGEMENT EMPLOYEES PROPOSED
SALARY ADJUSTMENTS**

RECOMMENDATION

Approve salary adjustments for Non-Represented and Managerial Appraisal and Performance Plan (MAPP) Classifications at the same level as those granted to Represented Employees for calendar years 2017, 2018, and 2019.

BACKGROUND

Your Boards, having been asked to approve a three-year salary adjustment for LACERA Represented Employees, are asked to turn your attention to salary matters concerning LACERA's Non-Represented Employees and MAPP Participants. Subject to your Boards approval of the tentative agreement, LACERA and SEIU Local 721 have agreed that LACERA Represented Employees will receive increases as follows:

1. Effective January 1, 2017, salaries shall be increased by three and one-half percent (3.5%).
2. Effective January 1, 2018, salaries shall be increased by three and one-half percent (3.5%).
3. Effective January 1, 2019 salaries shall be increased by three and one-half percent (3.5%).

Historically LACERA has positioned its Non-Represented and MAPP salaries closely to the negotiated adjustments for Represented Employees. As with the Represented Staff, Non-Represented and MAPP Employees have not received across-the-board salary range increases since January 1, 2016. As such, Staff recommends salary increases for the Non-Represented and MAPP Employees to mirror the Represented Employee percentage salary increases for 2017, 2018 and 2019 as reflected above.

This recommendation is to bring parity between the LACERA Represented and Non-Represented/MAPP salary increases and to maintain current salary differentials between the Represented and Non-Represented/MAPP Employees.

Staff also believes these salary increases will support LACERA's ability to attract and retain qualified staff to fulfill our mission to "Produce, Protect and Provide the Promised Benefit." The proposed increases are reasonable with regard to the pay increases provided our Represented Employees and with regard to the County Employees whom we serve.

Implementation Process

Upon your approval, LACERA Human Resources and Legal Office will prepare and submit the necessary documentation to the County Board of Supervisors for their administrative approval into the County Ordinance.

Recommendation

It is recommended that your Boards:

Grant approval of salary adjustments for Non-Represented and Managerial Appraisal and Performance Plan (MAPP) Classifications at the same level as those granted to Represented Employees for calendar years 2017, 2018, and 2019.

Attachments: Cost to Fund Worksheet (For Non-Represented Staff)

**COST TO FUND
PROPOSED SALARY INCREASES
FOR NON-REPRESENTED & MANAGEMENT (MAPP) STAFF**

APPROXIMATE IMPACT TO LACERA BUDGET OVER TERM OF CONTRACT:

FISCAL YEAR 2017-2018 LACERA BUDGET

TOTAL NET OPERATING BUDGET \$83,555,000

NON-REPRESENTED AND MANAGEMENT SALARIES AND EMPLOYEE BENEFITS (S&EB)

GROSS SALARIES:	\$26,833,000
EMPLOYEE BENEFITS:	<u>\$14,758,000</u>
TOTAL S&EB:	<u>\$41,591,000</u>

AFFECT ON BUDGET PER FISCAL YEAR

(Based on FY 2017-18 Budgeted Position Totals)

	<u>2016-2017*</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020**</u>
Cost Increase to Gross Salaries:	\$470,000	\$956,000	\$989,000	\$503,000
Cost Increase to Employee Benefits: (Factor Used: 55% of Gross Salaries)	<u>\$259,000</u>	<u>\$526,000</u>	<u>\$544,000</u>	<u>\$277,000</u>
Total S&EB Year-by-Year Increase:	<u>\$729,000</u>	<u>\$1,482,000</u>	<u>\$1,533,000</u>	<u>\$780,000</u>
*Six Month Period (01/01/17 to 06/30/17)				
**Six Month Period (07/01/19 to 12/31/19)				
Cumulative S&EB Increase to Gross Operating Budget:	<u>\$729,000</u>	<u>\$2,211,000</u>	<u>\$3,744,000</u>	<u>\$4,524,000</u>



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



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Attention: Public Records Act Requests
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Pasadena, CA 91101**