

## **AGENDA**

### **MEETING OF THE INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE and BOARD OF RETIREMENT\***

#### **LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION**

**300 NORTH LAKE AVENUE, SUITE 810  
PASADENA, CA 91101**

**THURSDAY, OCTOBER 12, 2017 - 9:00 A.M.\*\***

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

#### **COMMITTEE MEMBERS:**

William de la Garza, Chair  
Vivian H. Gray, Vice Chair  
Alan Bernstein  
Ronald Okum  
David Muir, Alternate

#### **I. APPROVAL OF THE MINUTES**

- A. Approval of the minutes of the special meeting of September 6, 2017

#### **II. PUBLIC COMMENT**

#### **III. ACTION ITEMS**

- A. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement provide the following directions to its voting delegate with respect to the 2018 legislative platform of the State Association of County Retirement Systems (SACRS):
  1. Vote NO on SACRS sponsorship of "Providing Definition of 'Surviving Spouse' for Eligibility for Survivor Continuances" as proposed by the Ventura County Employees' Retirement Association (VCERA).
  2. Vote NO on SACRS sponsorship of "Time Limits of Filing Application for Disability Retirement" as proposed by the Ventura County Employees' Retirement Association (VCERA).
  3. Vote NO on SACRS sponsorship of "Trustee Authority over Retirement Office Executive Staff" as proposed by the Tulare County Employees Retirement Association (TCERA).

(Memorandum dated October 3, 2017)

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III. ACTION ITEMS (Continued)

- B. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee review and comment on the draft of the Engagement Report.

(Memorandum dated October 4, 2017)

IV. FOR INFORMATION

- A. Assembly Bill 127 and Senate Bill 112 – Post-Retirement Employment of Elective Officers (*Barry W. Lew, Legislative Affairs Officer*)  
B. Staff Activities Report for September 2017  
C. LACERA Claims Experience  
D. Federal Legislation  
(*for discussion purposes*)

V. REPORT ON STAFF ACTION ITEMS

VI. GOOD OF THE ORDER

(For information purposes only)

VII. ADJOURNMENT

**\*The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

**\*\*Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Retirement meeting preceding it. Please be on call.**

Any documents subject to public disclosure that relate to an agenda item for an open session of the Committee, that are distributed to members of the Committee 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 Committee, at LACERA's offices at 300 North Lake Avenue, Suite 820, Pasadena, California during normal business hours from 9:00 a.m. to 5:00 p.m. Monday through Friday.

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MINUTES OF THE MEETING OF THE  
INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE  
and  
BOARD OF RETIREMENT\*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

WEDNESDAY, SEPTEMBER 6, 2017, 11:40 A.M. – 1:10 P.M.

**COMMITTEE MEMBERS**

PRESENT: Vivian H. Gray, Vice Chair  
Ronald Okum  
David L. Muir, Alternate

ABSENT: William de la Garza, Chair  
Alan Bernstein

**ALSO ATTENDING:**

BOARD MEMBERS AT LARGE

Marvin Adams  
Anthony Bravo  
Shawn R. Kehoe  
Keith Knox (Chief Deputy to Joseph Kelly)

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith  
Steve Rice  
Barry Lew  
Dr. Vito Campese, Medical Advisor

Segal Consulting

Stephen Murphy  
Paul Sadro

Ackler & Associates/McHugh, Koepke & Associates

Joseph Ackler  
Shari McHugh

Alston & Bird

David Godofsky                      Kathleen Hill  
Maureen Gorsen                      John Kabateck

The meeting was called to order by Chair Gray at 11:40 a.m. Due to the absence of Messrs. de la Garza and Bernstein, the Chair announced that Mr. Muir, as the alternate, would be a voting member of the Committee.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of August 10, 2017

Mr. Okum made a motion, Ms. Gray seconded, to approve the minutes of the regular meeting of August 10, 2017. The motion passed unanimously.

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by Robert Hill, Assistant Executive Officer: That the Committee recommend the Board of Retirement approve the Other Post-Employment Benefits (OPEB) Actuarial Valuation and Audit Policy. (Memorandum dated August 21, 2017)

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

B. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt an "Oppose" position on ACA 15, which would enact The Protecting Schools and Keeping Pension Promises Act of 2018. (Memorandum dated August 25, 2017)

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

III. ACTION ITEMS (Continued)

- C. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Committee 1) Interview the two finalists on the California state legislative advocacy services Request for Proposal, and 2) Recommend to the Board of Retirement that one or more candidate(s) be engaged. (Memorandum dated August 28, 2017)

Ackler & Associates/McHugh, Koepke & Associates and Alston & Bird both provided brief presentations and answered questions from the Committee.

Mr. Okum made a motion, Mr. Muir seconded, to recommend to the Board of Retirement that LACERA engage Ackler & Associates/McHugh, Koepke & Associates to provide state legislative advocacy services. The motion passed unanimously.

IV. FOR INFORMATION

- A. Senate Bill 562 – The Healthy California Act (*Barry W. Lew, Legislative Affairs Officer*)

Submitted for information only.

- B. Social Security Numbers Removal Initiative

To combat identity theft, fraud, and the illegal use of Social Security Numbers (SSN), the Centers for Medicare & Medicaid Services (CMS) will remove SSNs from all Medicare identification cards by April 2019. Beginning April 2018, CMS will begin mailing redesigned Medicare cards with a new randomly selected Medicare Beneficiary Identifier (MBI). LACERA staff will maintain communication with our carriers in order to coordinate and maintain accurate eligibility reporting between all agencies during the transition.

- C. Staff Activities Report for August, 2017

The staff activities report was discussed.

IV. FOR INFORMATION (Continued)

D. LACERA Claims Experience

The LACERA Claims Experience reports through July 2017 were discussed.

E. Federal Legislation  
*(for discussion purposes)*

Segal gave an update on federal legislation.

V. REPORT ON STAFF ACTION ITEMS

There was nothing to report on for staff action items.

VI. GOOD OF THE ORDER

(For information purposes only)


VII. ADJOURNMENT

The meeting adjourned at 1:10 p.m.

**\*The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

October 3, 2017

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

FROM: Barry W. Lew   
Legislative Affairs Officer

FOR: October 12, 2017 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **PROVIDE VOTING DIRECTIONS ON SACRS 2018 LEGISLATIVE PLATFORM**

## **RECOMMENDATION**

That the Insurance, Benefits and Legislative Committee recommend that the Board of Retirement provide the following directions to its voting delegate with respect to the 2018 legislative platform of the State Association of County Retirement Systems (SACRS):

- I. Vote NO on SACRS sponsorship of “Providing Definition of ‘Surviving Spouse’ for Eligibility for Survivor Continuances” as proposed by the Ventura County Employees’ Retirement Association (VCERA).
- II. Vote NO on SACRS sponsorship of “Time Limits of Filing Application for Disability Retirement” as proposed by the Ventura County Employees’ Retirement Association (VCERA).
- III. Vote NO on SACRS sponsorship of “Trustee Authority over Retirement Office Executive Staff” as proposed by the Tulare County Employees Retirement Association (TCERA).

## **DISCUSSION**

Each year, the 20 retirement systems operating under the County Employees Retirement Law of 1937 (CERL) are asked to submit proposals to the Legislative Committee of the State Association of County Retirement Systems (SACRS) for sponsorship in the SACRS legislative platform. The items submitted should have application to all CERL systems rather than an individual system; they should not propose new benefits that will be paid for by the plan sponsor; and they should not

create major issues, such as conflicts with Proposition 162 or with any of the 19 other CERL retirement systems.

Three proposals were submitted to the SACRS Legislative Committee for inclusion in the SACRS 2018 legislative platform. The SACRS Legislative Committee discussed the proposals at its meeting of September 22, 2017 and voted to recommend whether SACRS should sponsor or decline to sponsor the proposals. The recommendations by the SACRS Legislative Committee are listed under each proposal below and are advisory recommendations. Regardless of the SACRS Legislative Committee's recommendation, each proposal will be presented to the full SACRS membership for a vote by each system's voting delegate at the SACRS Business Meeting on November 17, 2017 at the SACRS 2017 Fall Conference.

#### **I. Providing Definition of "Surviving Spouse" for Eligibility for Survivor Continuances (VCERA)**

- *Staff Recommendation: **Vote NO.***
- *SACRS Legislative Committee Recommendation: **Sponsor.***

CERL currently provides for survivor benefits to be paid upon the death of a member who retired for service or disability. Survivor benefits are a continuance of a percentage of the member's retirement allowance. Generally, a surviving spouse must be married either prior to or at least one year prior to the date of the member's retirement. An alternative eligibility requirement for surviving spouses (which LACERA never adopted) is that the survivor must be at least 55 years of age and married to the member at least two years before the member's death. Regardless of which provision for survivor benefits is applicable with respect to the date of marriage, the issue in VCERA's proposal is regarding the definition of "surviving spouse."

A former spouse is not considered a surviving spouse after a dissolution of marriage. However, CERL does not define whether a legally separated spouse is considered a surviving spouse. According to VCERA's proposal, the treatment of legally separated spouses as surviving spouses is inconsistent among the retirement systems operating under CERL. For example, LACERA (among six CERL retirement systems cited in the proposal) treats a legally separated spouse as a surviving spouse. However, the proposal states that at least eight CERL retirement systems do not consider legally separated spouses as surviving spouses. Specifically, the Contra Costa County Employees' Retirement Association (CCCERA) is one of those systems and was involved in a case that found that the term "surviving spouse" in CERL should include a legally separated person (*Irvin v. Contra Costa County Employees' Retirement Assn.* (2017) 13 Cal.App.5th 162 [200 Cal.Rptr.3d 510]), contrary to CCCERA's existing practice of not treating legally separated spouses as surviving spouses.



LACERA currently treats a legally separated spouse as a surviving spouse for purposes of paying survivor benefits, which is consistent with the Court of Appeal's decision in *Irvin*. Given the fact that the treatment of legally separated spouses as surviving spouses is inconsistent among the CERL retirement systems, a uniform definition of surviving spouse that results in consistent treatment is desirable in concept. However, the court in *Irvin* found that CCCERA failed to articulate a substantial public policy reason as to why the definition of surviving spouse should exclude legally separated spouses and thereby deny continuance benefits to them. Similarly, VCERA's proposal does not articulate a substantial public policy reason why the definition of surviving spouse should exclude legally separated spouses as opposed to including them within the definition.

CCCERA based its determination of surviving spouse status on Section 78 of the Probate Code, which does not include spouses who are subject to a judgment of legal separation within the definition of surviving spouse. The court in *Irvin* found that this was a general definition within the Probate Code and that there were various provisions within the Probate Code that treat legally separated spouses as surviving spouses as well as other provisions that do not treat them as surviving spouses. The court concluded that the Probate Code did not provide useful guidance in interpreting the definition of surviving spouse in the CERL section that authorizes CCCERA to provide survivor benefits.

VCERA proposes to define "surviving spouse" within CERL under a new Section 31480.1. The proposed definition of "surviving spouse" is based on Section 101(3) of Title 38 of the United States Code, which governs veterans' benefits. The *Irvin* court's assessment of the Probate Code indicates that the Probate Code is not the ideal framework for defining the treatment of legally separated spouses as surviving spouses. However, it is unclear why the law governing veterans' benefits would be a better framework for the definition of surviving spouse. Arguably, the law governing Social Security benefits, rather than veteran's benefits, is more conceptually harmonious with pension benefits, given the fact that certain sections of CERL provide for integration of pension benefits with Social Security benefits. Section 416(a)(2) of Title 42 of the United States Code defines "surviving spouse" for purposes of Social Security benefits as a widow or widower, and the status of a widow or widower is determined based on whether such a person was validly married to an individual before he or she was deceased. Moreover, Section 416(d) defines other terms such as "surviving divorced wife" and "surviving divorced husband." These terms suggest that with regard to a spousal relationship one is either married or divorced and that legal separation does not play any role in determining whether a person is a surviving spouse for Social Security purposes. Whether probate, veterans' benefits, Social Security benefits, or some other structure should be the proper framework for determining the treatment of legally separated spouses as surviving spouses appears to be a public policy issue for discussion by stakeholders as to who should be entitled to survivor benefits rather than

an administrative issue. Absent this discussion, the court in *Irvin* found that the plain meaning of “surviving spouse” currently in CERL includes legally separated spouses.

In addition to the lack of a public policy reason in the proposal for excluding legally separated spouses as surviving spouses and the lack of clarity in using the framework of veterans’ benefits to determine survivor benefits under CERL, it may be premature at this point to propose new legislation to define a surviving spouse. The *Irvin* case is the subject of a pending petition for review before the California Supreme Court; it is not yet known whether the Court will accept review. The Court has stated that it will decide whether to grant or deny review on or before November 7, 2017. It would be prudent to wait for a final determination by the Court before considering whether new legislation is necessary.

(The SACRS Legislative Committee’s discussion of this proposal noted that two elements within the proposed Section 31480.1 were administratively problematic and suggested that they be removed if the proposal should become a bill. The two elements are 1) that the surviving spouse has lived with the member from the date of marriage to the date of the member’s death and 2) that the surviving spouse has not remarried or lived with another person and held himself or herself out publicly as the spouse of that person.)

## **II. Time Limits of Filing Application for Disability Retirement (VCERA)**

- *Staff Recommendation: **Vote NO.***
- *SACRS Legislative Committee Recommendation: **Decline to Sponsor.***

VCERA proposes to amend Section 31722 of the Government Code, which provides for the timing of when an application for disability retirement can be made by a member. VCERA observes that in a recent disability case involving the San Bernardino County Employees’ Retirement Association, the member waited 8 years after discontinuance of service before filing an application for disability retirement. VCERA believes that a long period between the discontinuance of service and the filing of an application makes it more difficult to investigate the application. VCERA proposes that during the period between the discontinuance of service and the filing of the application that the application be filed within four months of when the member is or should be able to ascertain the permanency of the incapacity.

The proposal is problematic in that it attempts to solve an operational issue (i.e., difficulty in investigating a disability application) with a policy change that limits the due process rights of a member in being able to file a disability application. Section 31722 only deals with the filing of a disability application, and disability retirements are not granted under this section. Whether a member is permanently incapacitated and

entitled to a disability retirement is governed by Section 31720. Absent any presumptions regarding permanent incapacity that may apply, a member has the burden of proving permanent incapacity through the process of filing an application that is investigated by the retirement system and having an administrative hearing.

The goal of VCERA's proposal is to limit the number of "difficult" applications that arise and must be investigated. However, the proposal's requirement that a member must file a disability application within four months of when he or she is or should be able to ascertain the permanency of the incapacity would not avoid the need for a disability application to be investigated and an administrative hearing to determine whether a disability application was filed in a timely manner. Determining when a member is or should be able to ascertain the permanency of his or her incapacity is a question of facts and circumstances. The disability application would still have to be investigated, and a decision would have to be rendered through an administrative hearing. Limiting a member's due process rights in the application process would not solve this issue.

### **III. Trustee Authority over Retirement Office Executive Staff (TCERA)**

- *Staff Recommendation: **Vote NO.***
- *SACRS Legislative Committee Recommendation: **Decline to Sponsor.***

Government Code Section 31522.3 currently provides authority to a board of retirement (or to both the board of retirement and board of investments) to appoint assistant administrators and chief investment officers. These positions are not subject to county charter, civil service, or merit system rules; however, the persons appointed to the positions are considered county employees. The appointed assistant administrators and chief investment officers serve at the pleasure of, and may be dismissed at the will of, the board or boards. These requirements do not apply to any assistant administrators or chief investment officers who were included in county civil service or subject to merit system rules prior to December 31, 1996. Section 31522.3 currently applies to the Counties of San Diego, Sacramento, Kern, San Joaquin, and Marin. The County of Tulare is currently not subject to Section 31522.3. TCERA proposes that Section 31522.3 instead be applicable to all counties with retirement systems operating under CERL.

Staff believes that this proposal should not apply to all counties with retirement systems operating under CERL without the option of local adoption. The evolution of Section 31522.3 suggests that as a particular CERL retirement system needed to appoint assistant administrators and chief investment officers on an "at pleasure" basis, Section 31522.3 was made applicable to that system. Given the diversity of the 20 retirement systems operating under CERL in terms of organizational size, structure, and personnel management strategies, the "one-size-fits-all" solution that TCERA is proposing is not

ideal since each system should have flexibility in determining which management positions are and are not subject to civil service or merit system rules.

For example, in 2001, LACERA sponsored legislation that applies to LACERA only to enable the Board of Retirement or both the Board of Retirement and Board of Investments to appoint on an “at pleasure” basis assistant administrators, persons next in line of authority to assistant administrators, chief legal officers, chief deputy legal officers, chief investment officers, and investment officers next in line of authority to chief investment officers. Another approach used by some CERL retirement systems is to become a district in order to directly employ some or all of their employees, so that they are employees of the retirement system and subject to the terms and conditions of employment established by a board of retirement rather than by a board of supervisors. In the case of AB 1853 (2016, vetoed), which provided authority for any CERL retirement system to become a district, each retirement system had the option of electing to become a district.

If an individual CERL retirement system desires to appoint an assistant administrator or chief investment officer under the terms and conditions of Section 31522.3, a path exists for that system to sponsor legislation that would make Section 31522.3 applicable to itself rather than to all CERL retirement systems. Moreover, if Section 31522.3 were to apply to all CERL retirement systems without the option of local adoption, it would be a stricter provision in terms of applicability than Section 31522.2, which applies to the appointment of a CERL system’s retirement administrator but is subject to local adoption.

**IT IS THEREFORE RECOMMENDED THAT YOUR COMMITTEE** recommend that the Board of Retirement provide the following directions to its voting delegate with respect to the 2018 legislative platform of the State Association of County Retirement Systems (SACRS):

- I. Vote NO on SACRS sponsorship of “Providing Definition of ‘Surviving Spouse’ for Eligibility for Survivor Continuances” as proposed by the Ventura County Employees’ Retirement Association (VCERA).
- II. Vote NO on SACRS sponsorship of “Time Limits of Filing Application for Disability Retirement” as proposed by the Ventura County Employees’ Retirement Association (VCERA).
- III. Vote NO on SACRS sponsorship of “Trustee Authority over Retirement Office Executive Staff” as proposed by the Tulare County Employees Retirement Association (TCERA).

**Reviewed and Approved:**



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**Steven P. Rice, Chief Counsel**

**Attachments**

Attachment 1—Providing Definition of “Surviving Spouse for Eligibility for Survivor Continuances

Attachment 2—Time Limits for Filing Application for Disability Retirement

Attachment 3—Trustee Authority over Retirement Office Executive Staff

cc: Robert Hill  
James Brekk  
JJ Popowich  
Bernie Buenaflor  
Steven Rice  
Vincent Lim  
Ricki Contreras  
Frank Boyd  
Fern Billingsy  
Jill Rawal  
Allison Barrett  
Eugenia Der  
Jason Waller  
Joe Ackler, Ackler & Associates

**2018 SACRS LEGISLATIVE PLATFORM WORKSHEET  
PLEASE COMPLETE AND RETURN BY SEPTEMBER 5, 2017**

Title of Issue: Providing definition of “Surviving Spouse” for eligibility for survivor continuances.

Association: Ventura County Employees’ Retirement Association

Contact Person: Linda Webb, Retirement Administrator

Phone #: (805) 339-4262

Fax #: (805) 339-2502

Please answer the following questions as fully as possible:

1. Description of issue.

Under the CERL, a member may elect among various payment options at time of retirement. An unmodified allowance pays the highest monthly benefit and a 60% continuance to an eligible surviving spouse or, if none, to a minor child or children. (Govt. Code §§ 31760.1, 31760.2.) The survivor continuance is 100% in cases where the member is retired for service-connected disability. (Govt. Code § 31787.) Under the unmodified allowance, Government Code section 31760.1 provides for a continuance to a surviving spouse who was married to the member for at least one year prior to retirement, and Government Code section 31760.2, an optional provision made applicable by board resolution, allows for a survivor continuance to be paid to a post-retirement spouse, provided the spouse is at least 55 years of age and was married to the member for at least two years prior to the member’s death.

The term “surviving spouse” is not defined by the CERL. Case law is clear that following a judgment of dissolution of marriage, a former spouse is not a “surviving spouse” under CERL, though the former spouse may be awarded his/her community property share of the member’s benefits and also may continue to receive his/her community property share of any survivor continuance paid to the member’s survivor(s). (See *In Re Marriage of Carnall* (1989) 216 Cal.App.3d 1010; *In Re Marriage of Cramer* (1993) 20 Cal.App.4th 73.) However, published case law did not address the rights of legally-separated spouses prior to the recent issuance of the opinion in *Irvin v. Contra Costa County Employees’ Retirement Association*, First Appellate District, Div. 1, A149642 (the “Opinion”). The Opinion concludes that a legally separated spouse qualifies for a survivor continuance as the member’s “surviving spouse”. This Opinion is contrary to the practices of at least eight CERL systems and three prior decisions issued by the superior court in Santa Barbara, Contra Costa and Ventura counties. CCCERA has filed a petition for Supreme Court review, and four systems, so far, have jointly submitted a letter in support of review. (Ventura, Santa Barbara, San Bernardino and Tulare). The Opinion also impacts account divisions under Article 8.4 of the CERL. Prior to the Opinion, none of the systems that operate under Article 8.4 treat a legally separated spouse as the member’s surviving spouse, primarily because a survivor continuance is not among the benefits payable to the nonmember and any benefits not awarded to the spouse are the sole and separate property of the member’s.

1. Recommended solution.

Add a provision to CERL to define “Surviving Spouse” so as to include only a spouse who is legally married to the member, is neither divorced nor legally separated from the member, has lived with the member continuously from the date of marriage to the date of the member’s death and who meets all other requirements of CERL pertain to the length of the marriage and the spouse’s age at the time of the member’s death. (A similar provision appears in 38 U.S.C. section 101(3), governing a surviving spouse’s rights to veteran’s benefits.<sup>1</sup>)

2. Specific language that you would like changed in, or added to, ’37 Act Law, and suggested code section numbers.

Section 31480.1 is added to the Government Code to read:

31480.1. “Surviving spouse”, as used in this Chapter, means a person who has legally married the member, is neither divorced nor legally separated from the member, is the spouse of the member at the time of the member’s death, has lived with the member from the date of marriage to the date of the member’s death, has not remarried or lived with another person and held himself or herself out publicly as the spouse of that person, and who meets all other requirements of this Chapter pertaining to the length of the marriage, and the person’s age at the time of the member’s death.

2. Why should the proposed legislation be sponsored by SACRS rather than by your individual retirement association?

This issue affects all CERL systems.

3. Do you anticipate that the proposed legislation would create any major problems such as conflicting with Proposition 162 or create a problem with any of the other 19 SACRS retirement associations?

According to informal survey responses, there are currently approximately eight CERL systems whose practices are consistent with the proposed legislation. There are approximately six CERL systems that currently treat legally separated spouses as “surviving spouses” eligible for survivor continuances, and it is unknown whether these systems would oppose the proposed legislation.

4. Who will support or oppose this proposed change in the law?

Counties may support this proposed change, as it would result in cost savings to plan sponsors. Under the CERL’s funding mechanism, the survivor continuance is not included in the normal cost. The normal cost is based on the age of the member alone. The plan sponsors absorb any

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<sup>1</sup> 38 USC 101(3) provides: “The term ‘surviving spouse’ means (except for purposes of chapter 19 of this title) a person of the opposite sex who was the spouse of a veteran at the time of the veteran’s death, and who lived with the veteran continuously from the date of marriage to the date of the veteran’s death (except where there was a separation which was due to the misconduct of, or procured by, the veteran without the fault of the spouse) and who has not remarried or (in cases not involving remarriage) has not since the death of the veteran, and after September 19, 1962, lived with another person and held himself or herself out openly to the public to be the spouse of such other person.” Note that subsequent to the Defense of Marriage Act, this statute may not be used to deny benefits to same sex spouses who otherwise meet the statutory criteria for “surviving spouse.” See *Cooper-Harris v. United States of America* (2013) 965 F.Supp.2d 1139.

additional costs of providing a survivor continuance under the unmodified option. In opposition to the proposed change may be the family law and QDRO attorneys.

5. Who will be available from your association to testify before the Legislature?

Retirement Administrator, Linda Webb, and General Counsel, Lori Nemiroff.

Email or mail your legislative proposals to:

Mike Robson and Trent Smith  
Edelstein, Gilbert, Robson, & Smith LLC  
1127 11<sup>th</sup> Street, Suite 1030  
Sacramento, CA 95814

Email to both:

[Mike@EGRSlobby.com](mailto:Mike@EGRSlobby.com)

[Trent@EGRSlobby.com](mailto:Trent@EGRSlobby.com)



**2018 SACRS LEGISLATIVE PLATFORM WORKSHEET  
PLEASE COMPLETE AND RETURN BY SEPTEMBER 5, 2017**

Title of Issue: Time Limits for Filing Application for Disability Retirement

Association: VCERA

Contact Person: Linda Webb

Phone #: (805) 339-4262

Fax #: (805) 339-2502

Please answer the following questions as fully as possible:

1. Description of issue.

Under GC 31722, an application for disability retirement must generally be filed within four months after discontinuance of service (unless a presumption applies), but may be filed at *any time* after discontinuance of service provided that from the date of discontinuance of service to the time of the application, the member is continuously incapacitated. As observed in the recent case of *Flethez v. San Bernardino County Retirement System* (2017) 2 Cal.5<sup>th</sup> 630, a member waited 8 years after discontinuance of service to file his application for disability retirement. A long period of delay between discontinuance of service and date of filing makes it more difficult to investigate the application.

2. Recommended solution.

Amend GC 31722 to require that an application for disability retirement be filed within four months after the applicant knows or should know that his/her illness or injury has become permanent.

3. Specific language that you would like changed in, or added to, '37 Act Law, and suggested code section numbers.

Amend GC 31722 to state: "The application shall be made while the member is in service, within four months after his or her discontinuance of service, within four months after the expiration of any period during which a presumption is extended beyond his or her discontinuance of service, or while, from the date of discontinuance of service to the time of the application, he or she is continuously physically or mentally incapacitated to perform his or her duties **and files the application within four months of when he or she is or should be able to ascertain the permanency of the incapacity.**"

4. Why should the proposed legislation be sponsored by SACRS rather than by your individual retirement association?

This issue affects all CERL systems.

5. Do you anticipate that the proposed legislation would create any major problems such as conflicting with Proposition 162 or create a problem with any of the other 19 SACRS retirement associations?

No

6. Who will support or oppose this proposed change in the law?

Support: Plan sponsors; taxpayers. Oppose: Labor Unions

7. Who will be available from your association to testify before the Legislature?

Linda Webb, Retirement Administrator, VCERA  
Lori Nemiroff, General Counsel, VCERA  
Back-up: Art Goulet, Trustee

Email or mail your legislative proposals to:

Mike Robson and Trent Smith  
Edelstein, Gilbert, Robson, & Smith LLC  
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Email to both:

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## 2018 SACRS LEGISLATIVE PLATFORM WORKSHEET

Title of Issue: Trustee Authority Over Retirement Office Executive Staff

Association: Tulare CERA

Contact Person: Dave Kehler

Phone #: 559.713.2904

Fax #: 559.730.2631

Please answer the following questions as fully as possible:

**1. Description of issue.**

As currently written, California Government Code Section 31522.3 applies only to those individual counties (San Diego, Sacramento, Kern, San Joaquin, Marin) that have adopted the provisions through the legislative process. TCERA proposes that SACRS sponsors legislation that would make the provision of Section 31522.3 applicable to all '37 Act counties.

As revised, Section 31522.3 would clarify the hiring, direction, and dismissal power of the Board of Retirement over executive staff (i.e. the Assistant Administrator/CEO and CIO) for those plans that have such employee staff members. (Section 31522.2 already gives the Board such authority over the plan Administrator/CEO.) TCERA is of the opinion that it often has been presumed by all involved that the Retirement Board has had such authority over all of the Retirement Plan's executive level positions. The proposed revision to Section 31522.3 would align that presumption with the actual language of the law.

**2. Recommended solution.**

Remove subparagraph (c) from the language of Section 31522.3 so that the section can be made applicable to all systems covered by the CERL.

**3. Specific language that you would like changed in, or added to, '37 Act Law, and suggested code section numbers.**

*“(a) In a county in which the board of retirement or both the board of retirement and the board of investment have appointed personnel pursuant to Section 31522.1, the respective board or boards may elect to appoint assistant administrators and chief investment officers as provided for in this section. The positions of the assistant administrators and chief investment officers designated by the retirement board shall not be subject to county charter, civil service, or merit system rules. The persons so appointed shall be county employees and shall be included in the salary ordinance or salary resolution adopted by the board of supervisors for the compensation of county officers and employees. The assistant administrators and*

*chief investment officers so appointed shall be directed by, shall serve at the pleasure of, and may be dismissed at the will of, the appointing board or boards. Specific charges, a statement of reasons, or good cause shall not be required as a basis for dismissal of the assistant administrators and chief investment officers by the appointing board or boards.*

*(b) This section shall not apply to any person who was an assistant administrator or a chief investment officer and was included in the county civil service or was subject to merit system rules on December 31, 1996.”*

**4. Why should the proposed legislation be sponsored by SACRS rather than by your individual retirement association?**

The language of Government Code Section 31522.3 – and its current restrictions - is of interest to all '37 Act plans that have Assistant Retirement Administrator/CEO and CIO positions – not just to Tulare.

**5. Do you anticipate that the proposed legislation would create any major problems such as conflicting with Proposition 162 or create a problem with any of the other 19 SACRS retirement associations?**

No.

**6. Who will support or oppose this proposed change in the law?**

We would not expect opposition to this proposal as the Section is already in place for some CERL systems. The proposed revision seeks to clarify the authority Board of Retirement have over the hiring, direction, and dismissal powers of the Board over executive staff of the Retirement plan.

**7. Who will be available from your association to testify before the Legislature?**

Dave Kehler, TCERA Retirement Administrator.

Email or mail your legislative proposals to:

Mike Robson and Trent Smith  
Edelstein, Gilbert, Robson, & Smith LLC  
1127 11<sup>th</sup> Street, Suite 1030  
Sacramento, CA 95814


Email to both:

[Mike@EGRSlobby.com](mailto:Mike@EGRSlobby.com)

[Trent@EGRSlobby.com](mailto:Trent@EGRSlobby.com)

October 4, 2017

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

FROM: Barry W. Lew   
Legislative Affairs Officer

FOR: October 12, 2017 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Draft Engagement Report**

## **RECOMMENDATION**

That the Insurance, Benefits and Legislative Committee review and comment on the draft of the Engagement Report.

## **DISCUSSION**

The Board of Retirement adopted the Policy on Engagement for Public Policy Issues Relating to Plan Administration and Retirement and Health Care Benefits on June 15, 2017. The policy calls for a process of monitoring public policy issues that may impact or relate to issues described in the policy. The policy also calls for providing information on a monthly basis regarding these issues, and where appropriate, proposals for engagement.

The attached report will be provided on a monthly basis to your Committee and will list current issues of interest to LACERA that may affect retirement and health care benefits. Proposals for engagement on any specific issues will be presented separately to your Committee for approval to begin the engagement process.

**IT IS THEREFORE RECOMMENDED THAT YOUR COMMITTEE** review and comment on the draft of the Engagement Report.

**Reviewed and Approved:**



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**Steven P. Rice, Chief Counsel**

## **Attachment**

September 2017 Engagement Report

**INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE  
ENGAGEMENT REPORT  
SEPTEMBER 2017  
FOR INFORMATION ONLY**

**Arizona Public Safety Personnel Retirement System**

The City of Prescott in Arizona had been considering a sales tax increase through Proposition 443, a ballot measure that would raise the sales tax by 0.75 percent to pay for unfunded contributions to the Public Safety Personnel Retirement System. On August 29, 2017, the voters of Prescott approved the increase. During Proposition 443's campaign period, several Arizona state legislators and mayors in preliminary discussions expressed support for pension reform through a future referendum measure that would eliminate the protection for public retirement system benefits under the Arizona state constitution. The discussion is part of a series of mayors' summit meetings that are looking into pension-reform possibilities. ([Source](#))

**Rise in Retirement Costs and Tuition at the University of California**

The University of California Retirement System currently has a \$15 billion unfunded accrued actuarial liability for the retirement plan as of 2016. Discussions by university officials regarding next year's budget broached the possibility of tuition increases, although it is not clear that the UC Regents will approve another increase. Pension and health care top the list of growing expenses. Current cost control measures include increasing the retirement age and capping pensions for new hires. ([Source](#))

**Federal Tax Reform and Retirement Security**

On September 27, 2017, President Trump released a nine-page tax reform framework that lists, among other points, the retention of tax benefits to encourage work, higher education, and retirement security. Congressional committees are encouraged to simplify the benefits to improve their efficiency and effectiveness. Tax reform will aim to maintain or raise retirement plan participation of workers and the resources available for retirement. ([Source](#))

**City of Pasadena Pension Rate Stabilization Program**

The City of Pasadena contracts with the California Public Employees' Retirement System to provide pensions for its miscellaneous and sworn personnel. On August 28, 2017, the Pasadena City Council established a Public Agency Retirement Services (PARS) Section 115 Trust Pension Rate Stabilization Program in order to pre-fund the City's pension benefits. A Section 115 Trust enables the City to address its net pension liability and provides more investment flexibility compared to restrictions on general fund

investments. The City noted that there are currently 92 public agencies that have adopted a PARS Pension Rate Stabilization Program, including Glendale, Manhattan Beach, Rolling Hills, and Palo Alto. The City also has Other Post-Employment Benefits (OPEB) liabilities; however, its OPEB funding is currently on a pay-as-you-go basis. ([Source](#))

### **Life Expectancy and Pension Costs**

According to the Centers for Disease Control, the American death rate rose slightly in 2015 for the first time since 1999. In the last two years, large companies such as Verizon and General Motors have reduced their longevity assumptions and thereby lowered estimated retirement obligations by a combined \$9.7 billion. Longevity is one assumption among others such as asset returns, salary levels, and health care costs that affect how much companies expect to pay their retirees. In addition to corporate pensions, the financial outlook for Social Security benefits is also affected by the shift in American mortality trends. In 2014, the Society of Actuaries updated its baseline mortality tables for the first time since 2000 to reflect gains in life expectancy seen through 2008. Due to overly optimistic assumptions about the improvement of death rates, the Society of Actuaries' 2016 update would lower pension obligations by 1.5 to 2 percent, all else being equal. It is unclear what lower life-expectancy gains mean for public sector obligations, though the effect might be similar. The Society of Actuaries' tables are designed for private-sector retirement plans; the Society of Actuaries is working on an update for public-employee pensions. ([Source](#))

### **The California DISCLOSE Act (AB 249)**

AB 249 amends the Political Reform Act with regard to the disclosure of campaign contributions and expenditures. It requires advertisements to show the three largest funders of \$50,000 or more in clear type rather than fine print. This requirement applies to ballot measure ads and ads paid for by outside groups. It also requires new earmarking rules to identify true donors of ballot measure ads instead of names of organizations. The bill required a two-thirds vote of each house of the Legislature and passed out of the Legislature on September 15, 2017. It was presented to the Governor for signature on September 26, 2017, and he has until October 15, 2017 to sign or veto the bill. ([Source](#))

October 2, 2017

**FOR INFORMATION ONLY**

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

FROM: Barry W. Lew   
Legislative Affairs Officer

FOR: October 12, 2017 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Assembly Bill 127 and Senate Bill 112—Post-Retirement Employment of Elective Officers**

**INTRODUCTION**

AB 127 and SB 112 are budget trailer bills that make various statutory changes necessary to implement the 2017-18 California state budget. However, some items in a budget trailer bill may not necessarily be related to budget implementation. AB 127 and SB 112 both propose to add a new Government Code Section 31680.15 to the County Employees Retirement Law of 1937 (CERL), which relates to the post-retirement employment of elective officers.

Staff became aware of this issue through an inquiry forwarded from LACERA's legislative advocate, Joe Ackler of Ackler & Associates, from the staff in the Senate Public Employment and Retirement Committee. The inquiry solicited our advice on how we would interpret Government Code Section 21231, which applies to the post-retirement employment of elective officers who are members of the California Public Employees' Retirement System (CalPERS), if the language of the statute were applied to the retirement systems operating under CERL. The proposed language in AB 127 and SB 112 is based on Section 21231. Our response is reflected in the analysis below.

At the same time, the legislative advocates for the Legislative Committee of the State Association of County Retirement Systems (SACRS) received a similar question regarding the eligibility of elective officers to serve without reinstatement from retirement. The SACRS Legislative Committee discussed the fact that the issue regarding post-retirement employment of elective officers had arisen in 2013 as clean-up legislation was being formulated after the enactment of the California Public Employees' Pension Reform Act of 2013 (PEPRA). However, at the time, there was no specific instance of a retired elective officer who was going to return to the same elective office; thus, there was no specific administrative issue that required a resolution



through clean-up legislation. Currently, there may be an affected elective officer in a CERL retirement system. With regard to the legislative proposal currently in AB 127 and SB 112, the SACRS Legislative Committee did not have any major concerns regarding the proposed language.

## **SUMMARY**

AB 127 and SB 112 would enable a retired member to serve as an elective officer without reinstatement from retirement or loss or interruption of benefits. If the retired member serves in an elective office without reinstatement from retirement, the portion of his or her retirement allowance based on service in that elective office will be suspended during incumbency in that elective office. The monthly amount payable had the allowance not been suspended will resume once the elective office is vacated.

## **ANALYSIS**

### *Pre-PEPRA: Post-Retirement Employment*

A member who retires for service or disability generally cannot be paid for any service rendered by him or her to the county or district in which he or she was previously employed before retiring. There are exceptions to the prohibition on receiving payment for services after retirement. One exception allows for a retired member to reinstate from retirement and have his or her retirement allowance canceled upon reemployment but resumed upon termination of employment. Another exception is that the member is subsequently elected to county office after retirement, which allows for the retired member to be paid for service as an elective officer and continue to receive his or her retirement allowance without suspension of any portion of it since there has been no reinstatement from retirement.

Elective officers have the option of becoming members of the retirement association by filing a declaration to become a member. Any elective officer who does not declare his or her intention to become a member of the retirement association is ineligible for membership. Thus, a retired member who is subsequently elected to county office after retirement but does not file a declaration to become a member is eligible to continue receiving his or her retirement allowance and be paid for his or her service as an elective officer.

### *Post-PEPRA: Post-Retirement Employment*

In 2011, Governor Jerry Brown proposed a Twelve Point Pension Reform Plan that became the framework for PEPRA. One of the points in the reform plan was to limit post-retirement employment. Governor Brown's concern was that retirement should not mean retiring on a Friday, returning to full-time work on Monday, and collecting a pension and a salary. The Governor sought to strike a balance between limiting post-retirement employment and recognizing that retired employees may have experience that continues to be of value to employers.

Governor Brown extended a provision that applied to employees of the state and member agencies of CalPERS to all employees who retire from public service. The

provision limited retirees to working 960 hours per year without reinstatement from retirement. It generally prohibited retired employees who serve on state boards and commissions without reinstatement from retirement from earning any retirement benefits for that service. With regard to retired employees of retirement systems other than CalPERS who are appointed on a full-time basis to a state board or commission, they have two options. One option is to serve as a nonsalaried member of the state board or commission and continue to receive his or her retirement allowance. However, the person is prohibited from earning service credit or benefits in CalPERS. The other option is to suspend his or her retirement allowance and become a new member of CalPERS; upon retiring for service after serving on the board or commission, the member is entitled to a reinstatement of any suspended benefits.

### AB 127 and SB 112

The provision in AB 127 and SB 112 relating to post-retirement employment is based on Government Code Section 21231, which was enacted by SB 84 (2015) and applies to CalPERS with respect to post-retirement employment of elective officers. AB 127 and SB 112 would add a new Section 31680.15 to the Government Code, which provides parity between retired members of CERL retirement systems and CalPERS who subsequently return to service as elective officers.

Section 31680.15 would permit a retired member to serve as an elective officer without reinstatement from retirement or loss or interruption of benefits. If the member serves without reinstatement from retirement as an elective officer, any portion of the retirement allowance that was based on service previously in that elective office would be suspended during incumbency in that elective office. The assumption behind Section 31680.15 is that the retired member serves in the same elective office after retirement as he or she did before retirement. The retirement allowance in the amount payable had the allowance not been suspended would resume once the member vacates the elective office. In contrast, before the enactment of PEPRA, a retired member could be paid for service as an elective officer and continue to receive his or her full retirement allowance without suspension of any portion of it.

Under Section 31680.15, since the retired member would not be reinstating to membership from retirement, the retired member would not be entitled to earn additional service credit and therefore would not accrue an increased retirement benefit as a result of serving as an elective officer. However, existing law does permit an elective officer to declare his or her intent to become a member of the retirement association, reinstate to active membership, have his or her total retirement allowance suspended, and earn additional service credit that may increase his or her retirement allowance.

### **CONCLUSION**

AB 127 and SB 112 were both amended on September 11, 2017 to add Section 31680.15 to the Government Code. Since September 15, 2017 was the last day for bills to pass out of the Legislature, the bills complied with a new rule required by Proposition 54 that bills must be in print for at least 72 hours before a final vote. AB 127 has not

advanced out of the Legislature. SB 112 passed out of the Senate on September 15, 2017 and was presented to the Governor on September 22, 2017 for signature. The Governor signed SB 112 into law on September 28, 2017.

Given the short timeframe between the amendments to AB 127 and SB 112 on September 11, 2017 and the final vote on SB 112 on September 15, 2017, staff did not have sufficient time to present the bills for your Committee's consideration. The Board of Retirement's legislative policy standard is to support proposals that provide clarification, technical updates, or conforming changes to CERL, PEPRA, or other applicable provisions under California law related to public retirement systems (Legislative Policy, page 6). If the provision relating to the post-retirement employment of elective officers had been included with other provisions in clean-up legislation related to retirement that was proposed after the enactment of PEPRA, staff would have recommended a "Support" position. Although the Legislative Policy provides for action between board meetings, the Board of Retirement had not yet taken any position on the bill and thus any amendments to the bill would not have invoked action between board meetings to either support or oppose this provision on post-retirement employment. Moreover, the provision itself does not pose any major concerns as discussed by the SACRS Legislative Committee.

**Reviewed and Approved:**



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**Steven P. Rice, Chief Counsel**

**Attachments**

AB 127 (Committee on Budget) as amended on September 11, 2017  
SB 112 (Committee on Budget and Fiscal Review) as amended on September 11, 2017  
Government Code Section 21231

cc: Robert Hill  
James Brekk  
JJ Popowich  
Bernie Buenaflor  
Steven Rice  
Joe Ackler, Ackler & Associates

AMENDED IN SENATE SEPTEMBER 11, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

**ASSEMBLY BILL**

**No. 127**

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**Introduced by Assembly ~~Member Ting~~ Committee on Budget  
(Assembly Members Ting (Chair), Arambula, Bloom, Caballero,  
Chiu, Cooper, Cristina Garcia, Jones-Sawyer, Limón, McCarty,  
Medina, Mullin, Muratsuchi, O'Donnell, Rubio, Mark Stone,  
Weber, and Wood)**

January 10, 2017

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~~An act relating to the Budget Act of 2017. An act to amend Section 19859 of the Business and Professions Code, to amend Sections 179.9, 3557, 7310, and 15820.948 of, and to add Section 31680.15 to, the Government Code, to add Section 13143.7 to the Health and Safety Code, to amend Section 4032 of, and to add Section 29581 to, the Penal Code, and to amend Sections 714 and 715 of the Public Utilities Code, relating to state government, and making an appropriation therefor, to take effect immediately, bill related to the budget.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 127, as amended, ~~Ting~~ Committee on Budget. ~~Budget Act of 2017. State government.~~

(1) *The Gambling Control Act, among other things, generally requires a person to be licensed by the California Gambling Control Commission to participate in operation of a controlled game. The act requires the commission to deny a license to an applicant who has been convicted of a felony, including a conviction by a federal court or a court in another state for a crime that would constitute a felony if committed in California.*

*This bill would except from the requirement to deny a license a conviction of a felony for the possession of cannabis, the facts of which would not constitute a felony or misdemeanor under California law on the date the application for a license is submitted.*

*(2) Existing law ratifies, approves, and sets forth the provisions of the Emergency Management Assistance Compact, an interstate agreement that provides for mutual assistance between states responding to emergencies and disasters. The compact becomes inoperative on March 1, 2018, and as of January 1, 2019, is repealed.*

*This bill instead would make the compact inoperative on March 1, 2023, and repeal it on January 1, 2024.*

*(3) Existing law requires each public employer, as defined, to provide the exclusive representative mandatory access to its new employee orientations, and requires the parties, upon request of the employer or the exclusive representative, to negotiate regarding the structure, time, and manner of the access of the exclusive representative to a new employee orientation. Existing law provides that if any dispute has not been resolved within 45 days after the first meeting of the parties, or within 60 days after the initial request to negotiate, whichever comes first, either party may make a demand for compulsory interest arbitration. Existing law requires the arbitrator selection process to commence no later than 14 days prior to the negotiation period.*

*This bill would instead require the arbitrator selection process to commence within 14 days of a party's demand for compulsory interest arbitration. The bill would also require the party demanding compulsory interest arbitration to be responsible for requesting a panel of arbitrators from the State Mediation and Conciliation Service.*

*(4) Existing law requires compulsory interest arbitration to commence either on the arbitrator's earliest available date or any other date to which the parties agree, and to be completed within not less than 30 days.*

*This bill would instead require interest arbitration to be completed within 30 days.*

*(5) Existing law prohibits a city or county or local law enforcement agency from, on or after June 15, 2017, entering into a contract with the federal government or any federal agency to house or detain an adult noncitizen in a locked detention facility for purposes of civil immigration custody.*

*This bill would revise the reference to locked detention facilities as being those facilities owned and operated by a local entity.*

(6) Existing law authorizes the Board of State and Community Corrections or the Department of Corrections and Rehabilitation, the State Public Works Board, and a participating county, as defined, to acquire, design, and construct an adult local criminal justice facility, as defined, and provides funding for those purposes. Existing regulations of the Board of State and Community Corrections specify the number of visits that inmates held in certain types of correctional facilities are required to be provided.

Existing law requires that specified conditional funding to a participating county for the construction or renovation of a local jail facility or adult local criminal justice facility be used to construct or renovate a facility that meets or surpasses the minimum number of weekly visits as specified in regulations through the use of in-person visitation space.

This bill would make technical, clarifying changes to these provisions.

(7) The County Employees Retirement Law of 1937 authorizes the formation of retirement systems pursuant to its provisions for the purpose of providing benefits to employees of counties, cities, and districts and prescribes conditions for service after retirement. The California Public Employees' Pension Reform Act of 2013 (PEPRA) establishes various limits on retirement benefits generally applicable to specified public employee retirement systems in the state and, among other things, prescribes limits on service after retirement without reinstatement.

The Public Employees' Retirement System permits a retired person to serve as an elective officer without reinstatement from retirement, provided that any portion of his or her retirement allowance based on service in that elective office is suspended during incumbency, which provisions prevail over those of PEPRA.

This bill, for the purposes of a retirement system formed under the County Employees Retirement Law of 1937, would permit a retired person to serve as an elective officer without reinstatement from retirement or loss or interruption of benefits, provided that his or her retirement allowance is suspended to the extent that it is based on service in that elective office.

(8) Existing law establishes the Office of the State Fire Marshal in the Department of Forestry and Fire Protection and requires the office to foster, promote, and develop ways and means of protecting life and property against fire and panic.

*This bill would require the State Fire Marshal, in consultation with the Department of Corrections and Rehabilitation, to prepare and adopt regulations establishing minimum standards for the prevention of fire and for the protection of life and property against fire in any building or structure used or intended for use as a community correctional reentry facility, as specified. The bill would also require these standards and regulations to address buildings and structures that provide residential housing for parolees under contract with the Department of Corrections and Rehabilitation.*

*(9) Existing law prohibits a local detention facility, as defined, that provided in-person visitation as of January 1, 2017, from converting to only video visitation. Existing law prohibits a local detention facility from charging for visitation when visitors are onsite and participating in either in-person or video visitation. Existing law requires a local detention facility that does not offer in-person visitation to provide the first hour of remote video visitation each week free of charge.*

*This bill would provide that a local detention facility is required to offer the first hour of remote video visitation each week free of charge if that facility offers remote video visitation.*

*(10) Existing law prohibits a person who has an outstanding warrant for a felony from owning, purchasing, receiving, or possessing a firearm. A violation of this prohibition is punishable as a felony. Existing law also prohibits a person who has an outstanding warrant for certain misdemeanors from owning, purchasing, receiving, or possessing a firearm. A violation of this prohibition would be a crime, punishable by imprisonment in a county jail not exceeding one year or in the state prison, by a fine not exceeding \$1,000, or by both that imprisonment and fine.*

*This bill would provide that these provisions shall not apply to or affect a person who otherwise violates those provisions if the person did not have knowledge of the outstanding warrant.*

*(11) Under existing law, the Public Utilities Commission is authorized to supervise and regulate every public utility in the state. The act requires the commission, no later than July 1, 2017, to open a proceeding to determine the feasibility of minimizing or eliminating the use of the Aliso Canyon natural gas storage facility located in the County of Los Angeles while still maintaining energy and electric reliability for the region. Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.*

*This bill would instead require the commission, no later than January 31, 2018, to open a proceeding or rescope an existing proceeding to eliminate the use of the Aliso Canyon natural gas storage facility as soon as feasible but no later than January 1, 2028, as provided. The bill would require the commission to evaluate various scenarios and would require the commission to pursue the scenario that most quickly eliminates the use of the facility while ensuring safety, reliability, and just and reasonable rates in the region.*

*The act requires the commission to direct the operator of the Aliso Canyon natural gas storage facility to provide all information that the commission deems necessary for the commission to determine the range of working gas necessary to ensure safety and reliability for the region, and just and reasonable rates in California, as provided. The act repeals these provisions on January 1, 2021.*

*This bill would extend the operation of this provision indefinitely.*

*The provisions of this bill are part of the act and an order or other action of the commission is required to implement certain of the provisions. Because a violation of the bill's provisions or of an order or decision of the commission would be a crime, by extending this authority of the commission indefinitely and requiring the commission to order an end to the use of a gas storage facility, this bill would impose a state-mandated local program by expanding a crime.*

*(12)The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

*(13) This bill would appropriate \$2,625,000 in reimbursement authority to the General Fund to the Office of Emergency Services to reimburse local fire departments for activities related to the October 2016 Little Valley Fire.*

*(14) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.*

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2017.~~

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



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

1     *SECTION 1. Section 19859 of the Business and Professions*  
 2     *Code is amended to read:*

3     19859. The commission shall deny a license to any applicant  
 4     who is disqualified for any of the following reasons:

5     (a) Failure of the applicant to clearly establish eligibility and  
 6     qualification in accordance with this chapter.

7     (b) Failure of the applicant to provide information,  
 8     documentation, and assurances required by this chapter or requested  
 9     by the chief, or failure of the applicant to reveal any fact material  
 10    to qualification, or the supplying of information that is untrue or  
 11    misleading as to a material fact pertaining to the qualification  
 12    criteria.

13    (c) ~~Conviction~~—(1) *Except as provided in paragraph (2),*  
 14    *conviction of a felony, including a conviction by a federal court*  
 15    *or a court in another state for a crime that would constitute a felony*  
 16    *if committed in California.*

17    (2) *A conviction of a felony for the possession of cannabis, the*  
 18    *facts of which would not constitute a felony or misdemeanor under*  
 19    *California law on the date the application for a license is*  
 20    *submitted, shall not constitute a basis to deny a license pursuant*  
 21    *to this section.*

22    (d) Conviction of the applicant for any misdemeanor involving  
 23    dishonesty or moral turpitude within the 10-year period  
 24    immediately preceding the submission of the application, unless  
 25    the applicant has been granted relief pursuant to Section 1203.4,  
 26    1203.4a, or 1203.45 of the Penal Code; provided, however, that  
 27    the granting of relief pursuant to Section 1203.4, 1203.4a, or  
 28    1203.45 of the Penal Code shall not constitute a limitation on the  
 29    discretion of the commission under Section 19856 or affect the  
 30    applicant’s burden under Section 19857.

31    (e) Association of the applicant with criminal profiteering  
 32    activity or organized crime, as defined by Section 186.2 of the  
 33    Penal Code.

34    (f) Contumacious defiance by the applicant of any legislative  
 35    investigatory body, or other official investigatory body of any state  
 36    or of the United States, when that body is engaged in the  
 37    investigation of crimes relating to gambling; official corruption

1 related to gambling activities; or criminal profiteering activity or  
2 organized crime, as defined by Section 186.2 of the Penal Code.

3 (g) The applicant is less than 21 years of age.

4 *SEC. 2. Section 179.9 of the Government Code is amended to*  
5 *read:*

6 179.9. This article shall become inoperative on March 1, 2018,  
7 2023, and, as of January 1, 2019, 2024, is repealed.

8 *SEC. 3. Section 3557 of the Government Code is amended to*  
9 *read:*

10 3557. (a) Except as provided in subdivision (g), upon request  
11 of the employer or the exclusive representative, the parties shall  
12 negotiate regarding the structure, time, and manner of the access  
13 of the exclusive representative to a new employee orientation. The  
14 failure to reach agreement on the structure, time, and manner of  
15 the access shall be subject to compulsory interest arbitration  
16 pursuant to this section.

17 (b) (1) (A) Except as provided in subparagraph (B), when  
18 negotiating access to a new employee orientation, if any dispute  
19 has not been resolved within 45 days after the first meeting of the  
20 parties, or within 60 days after the initial request to negotiate,  
21 whichever comes first, either party may make a demand for  
22 compulsory interest arbitration, and if a demand is made, the  
23 procedure prescribed by this subdivision shall apply. The arbitrator  
24 selection process described in paragraph (2) shall commence ~~not~~  
25 ~~later than within 14 days prior to the end of the negotiation period~~  
26 ~~provided in this subdivision.~~ *of a party's demand for compulsory*  
27 *interest arbitration. The party demanding compulsory interest*  
28 *arbitration shall be responsible for requesting a panel of*  
29 *arbitrators from the State Mediation and Conciliation Service. A*  
30 *party shall not submit any proposal to compulsory interest*  
31 *arbitration that was not the parties' final proposal during the*  
32 *parties' negotiations. In the case of a school district employer*  
33 *whose administrative offices are closed during the summer, the*  
34 *timeline on this subdivision shall commence on the first day that*  
35 *the district administrative office reopens.*

36 (B) Notwithstanding subparagraph (A), the parties may mutually  
37 agree to submit their dispute to compulsory interest arbitration at  
38 any time.

39 (2) The appointment of an arbitrator for compulsory interest  
40 arbitration shall be made by the State Mediation and Conciliation

1 Service using its process to obtain a panel of arbitrators, except as  
2 provided in paragraph (4). Within seven days of receipt of a request  
3 for a panel, the State Mediation and Conciliation Service shall  
4 send the parties a list of seven arbitrators selected from its roster.  
5 Within seven days following the receipt of the list, the parties shall  
6 make their selection. Unless the parties agree on an alternate  
7 selection procedure, they shall alternatively strike one name from  
8 the list provided by the service until only one name remains. A  
9 coin toss shall determine which party shall strike the first name.  
10 In lieu of this process, the parties may mutually select any  
11 individual to serve as the arbitrator. Any party that fails to  
12 participate in the selection of an arbitrator within the prescribed  
13 period waives its right to strike names from the list. Interest  
14 arbitration shall commence either on the arbitrator's earliest  
15 available date or any other date to which the parties agree, and  
16 shall be completed within ~~not less than~~ 30 days. The decision of  
17 the arbitrator shall be issued within 10 days and shall be final and  
18 binding on the parties. The decision shall provide the exclusive  
19 representative with reasonable access to new employee orientations.  
20 The arbitrator shall consider, weigh, and be guided by the following  
21 criteria:

- 22 (A) The ability of the exclusive representative to communicate  
23 with the public employees it represents.
- 24 (B) The legal obligations of the exclusive representative to the  
25 public employees.
- 26 (C) State, federal, and local laws that are applicable to the  
27 employer.
- 28 (D) Stipulations of the parties.
- 29 (E) The interests and welfare of the public and the financial  
30 condition of the public agency.
- 31 (F) The structure, time, and manner of access of an exclusive  
32 representative to a new employee orientation in comparable public  
33 agencies, including the access provisions in other memoranda of  
34 understanding or collective bargaining agreements containing those  
35 provisions.
- 36 (G) The Legislature's findings and declarations under Section  
37 3555.
- 38 (H) Any other facts that are normally or traditionally taken into  
39 consideration in establishing the structure, time, and manner of

1 access of an exclusive representative to a new employee  
2 orientation.

3 (3) The parties shall equally share all costs of arbitration.

4 (4) If a city or county objects to the procedure for appointment  
5 of an arbitrator pursuant to paragraph (2), that city or county, within  
6 five days of a demand for arbitration by the exclusive  
7 representative, may request that the Public Employment Relations  
8 Board appoint a PERB Administrative Law Judge or other PERB  
9 employee to serve as the arbitrator in lieu of an arbitrator appointed  
10 by the State Mediation and Conciliation Service. The city or county  
11 shall pay for the cost of that arbitrator. The board shall appoint the  
12 arbitrator within five days of receiving that request. The same  
13 procedures, criteria, and timeline for arbitrations set forth in  
14 paragraph (2) shall apply.

15 (c) During the period between the effective date of this section  
16 and the expiration of an existing memorandum of understanding  
17 or collective bargaining agreement between the parties, a request  
18 to meet and confer pursuant to subdivision (a) shall reopen the  
19 existing memorandum of understanding or collective bargaining  
20 agreement solely for the limited purpose of negotiating an  
21 agreement regarding access of the exclusive representative to new  
22 employee orientations. Either party may elect to negotiate a side  
23 letter or similar agreement in lieu of reopening the existing  
24 memorandum of understanding or collective bargaining agreement.  
25 This section, however, does not abrogate existing agreements  
26 between public agencies and recognized employee organizations.

27 (d) This section does not prohibit agreements between a public  
28 employer and an exclusive representative that provide for new  
29 employee orientations that vary from the requirements of this  
30 chapter. If such an agreement is negotiated, the requirements of  
31 this chapter shall not apply to the extent that they are inconsistent  
32 with the agreement. In the absence of a mutual agreement regarding  
33 new employee orientations, all of the requirements of this chapter  
34 shall apply.

35 (e) A public employer identified in subdivision (a) of Section  
36 3555.5 does not unlawfully support or favor an employee  
37 organization or encourage employees to join any organization in  
38 preference to another as prohibited by subdivision (d) of Section  
39 3506.5, subdivision (d) of Section 3519, subdivision (d) of Section  
40 3543.5, or subdivision (d) of Section 3571 of this code, or

1 subdivision (d) of Section 99563.7 of the Public Utilities Code, or  
2 any other state law, by permitting a recognized employee  
3 organization or an exclusive representative the opportunity to  
4 present at new employee orientations as required by this section  
5 or consistent with a negotiated agreement pursuant to this section.

6 (f) This section is not intended to modify the scope of bargaining  
7 or representation under any applicable employer-employee relations  
8 statute.

9 (g) A provision in a memorandum of understanding reached  
10 pursuant to Section 3517.5, and in effect on the effective date of  
11 the act adding this section, regarding the access of an exclusive  
12 representative to a new employee orientation shall control for the  
13 duration of that agreement, and the rights and duties established  
14 by this section shall apply only upon expiration of the agreement.  
15 The provisions of Section 12301.24 of the Welfare and Institutions  
16 Code regarding the access of representatives of a recognized  
17 employee organization to an orientation shall control with respect  
18 to public employers and exclusive representatives who are  
19 governed by the provisions of that section.

20 *SEC. 4. Section 7310 of the Government Code is amended to*  
21 *read:*

22 7310. (a) A city, county, city and county, or local law  
23 enforcement agency that does not, as of June 15, 2017, have a  
24 contract with the federal government or any federal agency to  
25 detain adult noncitizens for purposes of civil immigration custody,  
26 is prohibited from entering into a contract with the federal  
27 government or any federal agency, to house or detain in a locked  
28 detention facility *owned and operated by a local entity*, noncitizens  
29 for purposes of civil immigration custody.

30 (b) A city, county, city and county, or local law enforcement  
31 agency that, as of June 15, 2017, has an existing contract with the  
32 federal government or any federal agency to detain adult  
33 noncitizens for purposes of civil immigration custody, shall not  
34 renew or modify that contract in such a way as to expand the  
35 maximum number of contract beds that may be utilized to house  
36 or detain in a locked detention facility noncitizens for purposes of  
37 civil immigration custody.

38 *SEC. 5. Section 15820.948 of the Government Code is amended*  
39 *to read:*

1 15820.948. (a) Notwithstanding any other law, any funding  
2 conditionally awarded *after the effective date of the legislation*  
3 *that added this section* by the Board of State and Community  
4 Corrections pursuant to Chapter 3.11 (commencing with Section  
5 15820.90), Chapter 3.12 (commencing with Section 15820.91),  
6 Chapter 3.13 (commencing with Section 15820.92), or Chapter  
7 3.131 (commencing with Section 15820.93), to a participating  
8 county for the construction or renovation of a local jail facility or  
9 adult local criminal justice facility ~~after the effective date of the~~  
10 ~~legislation that added this section~~, shall be used to construct or  
11 renovate a facility that meets or surpasses the minimum number  
12 of weekly visits as specified by Section 1062 of Title 15 of the  
13 California Code of Regulations through the use of in-person  
14 visitation space.

15 (b) For any proposals previously submitted to the board pursuant  
16 to the funding authority referenced in subdivision (a) that only  
17 provided for video visitation, the board shall require the  
18 participating county to submit a scope change to include in-person  
19 visitation prior to the board's approval of the conditional award.

20 (c) For purposes of this section, the following definitions shall  
21 apply:

22 (1) "In-person visit" means an on-site visit that may include  
23 barriers. In-person visits include interactions in which an inmate  
24 has physical contact with a visitor, the inmate is able to see a visitor  
25 through a barrier, or the inmate is otherwise in a room with a visitor  
26 without physical contact. "In-person visit" does not include an  
27 interaction between an inmate and a visitor through the use of an  
28 on-site, two-way, audio-video terminal.

29 (2) "Video visitation" means interaction between an inmate and  
30 a member of the public through the means of an audio-visual  
31 communication device when the member of the public is located  
32 at a local detention facility or at a remote location.

33 *SEC. 6. Section 31680.15 is added to the Government Code,*  
34 *to read:*

35 *31680.15. (a) On and after January 1, 2018, a person who*  
36 *has retired under this chapter may serve without reinstatement*  
37 *from retirement or loss or interruption of benefits under this*  
38 *chapter, as an elective officer.*

39 *(b) If a retired person serves without reinstatement from*  
40 *retirement in an elective office and part or all of his or her*

1 retirement allowance is based on service in that elective office,  
2 the portion of the allowance based on service in that elective office  
3 shall be suspended during incumbency in that elective office. The  
4 entire retirement allowance shall be paid for time on and after the  
5 person vacates the elective office in the monthly amount payable  
6 had the allowance not been suspended.

7 SEC. 7. Section 13143.7 is added to the Health and Safety  
8 Code, to read:

9 13143.7. (a) Except as provided in Section 18930, the State  
10 Fire Marshal, in consultation with the Department of Corrections  
11 and Rehabilitation, shall prepare and adopt regulations  
12 establishing minimum standards for the prevention of fire and for  
13 the protection of life and property against fire in any building or  
14 structure used or intended for use as a community correctional  
15 reentry facility, as defined in Section 6258 of the Penal Code. The  
16 State Fire Marshal shall adopt and submit building standards for  
17 approval pursuant to the provisions of Chapter 4 (commencing  
18 with Section 18935) of Part 2.5 of Division 13 for the purposes  
19 described in this section.

20 (b) The regulations and building standards developed pursuant  
21 to subdivision (a) shall also address buildings and structures that  
22 provide residential housing for parolees under contract with the  
23 Department of Corrections and Rehabilitation.

24 SEC. 8. Section 4032 of the Penal Code is amended to read:

25 4032. (a) For purposes of this section, the following definitions  
26 shall apply:

27 (1) "In-person visit" means an on-site visit that may include  
28 barriers. In-person visits include interactions in which an inmate  
29 has physical contact with a visitor, the inmate is able to see a visitor  
30 through a barrier, or the inmate is otherwise in a room with a visitor  
31 without physical contact. "In-person visit" does not include an  
32 interaction between an inmate and a visitor through the use of an  
33 on-site, two-way, audio-video terminal.

34 (2) "Video visitation" means interaction between an inmate and  
35 a member of the public through the means of an audio-visual  
36 communication device when the member of the public is located  
37 at a local detention facility or at a remote location.

38 (3) "Local detention facility" has the same meaning as defined  
39 in Section 6031.4.

1 (b) A local detention facility that offered in-person visitation  
2 as of January 1, 2017, may not convert to video visitation only.

3 (c) A local detention facility shall not charge for visitation when  
4 visitors are onsite and participating in either in-person or video  
5 visitation. For purposes of this subdivision, “onsite” is defined as  
6 at the location where the inmate is housed.

7 (d) If a local detention facility offered video visitation only as  
8 of January 1, 2017, on-site video visitation shall be offered free  
9 of charge, and the first hour of remote video visitation per week  
10 shall be offered free of ~~charge~~. *charge if the facility offers remote*  
11 *video visitation.*

12 *SEC. 9. Section 29581 is added to the Penal Code, to read:*

13 *29581. Sections 29800 and 29805 shall not apply to or affect*  
14 *a person who otherwise violates those sections if the person did*  
15 *not have knowledge of the outstanding warrant.*

16 *SEC. 10. Section 714 of the Public Utilities Code is amended*  
17 *to read:*

18 *714. ~~(a)~~ The commission, no later than ~~July 1, 2017~~, January*  
19 *31, 2018, shall open a proceeding or rescope an existing*  
20 *proceeding to ~~determine the feasibility of minimizing or~~*  
21 *~~eliminating~~ eliminate the use of the Aliso Canyon natural gas*  
22 *storage facility located in the County of Los Angeles while still*  
23 *maintaining energy and electric reliability for the ~~region~~. region,*  
24 *as soon as feasible, but no later than January 1, 2028. The*  
25 *commission shall evaluate various scenarios and shall pursue the*  
26 *scenario that most quickly eliminates the use of the facility while*  
27 *ensuring safety, reliability, and just and reasonable rates in the*  
28 *region. This determination shall be consistent with the Clean*  
29 *Energy and Pollution Reduction Act of 2015 (Ch. 547, Stats. 2015)*  
30 *and Executive Order B-30-2015. The commission shall consult*  
31 *with the State Energy Resources Conservation and Development*  
32 *Commission, the Independent System Operator, the local publicly*  
33 *owned utilities that rely on natural gas for electricity generation,*  
34 *the Division of Oil, Gas, and Geothermal Resources in the*  
35 *Department of Conservation, affected balancing authorities, and*  
36 *other relevant government entities, in making its determination.*

37 *~~(b) This section shall remain in effect only until January 1, 2021,~~*  
38 *~~and as of that date is repealed, unless a later enacted statute, that~~*  
39 *~~is enacted before January 1, 2021, deletes or extends that date.~~*



1     *SEC. 11. Section 715 of the Public Utilities Code is amended*  
2     *to read:*

3     715. (a) The commission shall direct the operator of the Aliso  
4 Canyon natural gas storage facility located in the County of Los  
5 Angeles to provide all information the commission deems  
6 necessary for the commission to determine, in consultation with  
7 the State Energy Resources Conservation and Development  
8 Commission, the Independent System Operator, and affected  
9 publicly owned utilities, the range of working gas necessary to  
10 ensure safety and reliability for the region and just and reasonable  
11 rates in California. The determination shall be based on best  
12 available data, and shall incorporate data from recent and ongoing  
13 studies being conducted to determine energy and gas use in the  
14 region by the commission, the State Energy Resources  
15 Conservation and Development Commission, the Independent  
16 System Operator, and affected publicly owned utilities.

17     (b) Within 30 days of the effective date of the act adding this  
18 section, the commission shall publish a report that includes, but is  
19 not limited to, all of the following:

20     (1) The range of working gas necessary at the facility to ensure  
21 safety and reliability and just and reasonable rates in California  
22 determined pursuant to subdivision (a).

23     (2) The amount of natural gas production at the facility needed  
24 to meet safety and reliability requirements.

25     (3) The number of wells and associated injection and production  
26 capacity required.

27     (4) The availability of sufficient natural gas production using  
28 gas storage wells that have satisfactorily completed testing and  
29 remediation required under subparagraph (B) of paragraph (4) of  
30 subdivision (c) of Section 3217 of the Public Resources Code.

31     (c) The commission shall make the report required under  
32 subdivision (b) available on its Internet Web site and seek, either  
33 through written comments or a workshop, public comments on the  
34 report.

35     (d) The executive director of the commission, in consultation  
36 with the State Oil and Gas Supervisor, shall direct the operator to  
37 maintain the specified range of working gas, determined pursuant  
38 to subdivision (a), at the facility to ensure reliability and just and  
39 reasonable rates in California, after all of the following occur:

1 (1) The gas storage well comprehensive safety review is  
2 complete pursuant to paragraph (5) of subdivision (c) of Section  
3 3217 of the Public Resources Code.

4 (2) The State Oil and Gas Supervisor has approved the maximum  
5 and minimum reservoir pressure pursuant to subdivision (e) of  
6 Section 3217 of the Public Resources Code.

7 (3) The State Oil and Gas Supervisor has allowed injections of  
8 natural gas at the facility, pursuant to subdivision (f) of Section  
9 3217 of the Public Resources Code.

10 (4) The commission has allowed, and received, public comment  
11 on the report pursuant to subdivision (c).

12 (e) In no case may the volume of working gas set by the  
13 executive director of the commission result in reservoir pressures  
14 that fall out of the range established pursuant to subdivision (e) of  
15 Section 3217 of the Public Resources Code.

16 ~~(f) This section shall remain in effect only until January 1, 2021,~~  
17 ~~and as of that date is repealed, unless a later enacted statute, that~~  
18 ~~is enacted before January 1, 2021, deletes or extends that date.~~

19 *SEC. 12. No reimbursement is required by this act pursuant*  
20 *to Section 6 of Article XIII B of the California Constitution because*  
21 *the only costs that may be incurred by a local agency or school*  
22 *district will be incurred because this act creates a new crime or*  
23 *infraction, eliminates a crime or infraction, or changes the penalty*  
24 *for a crime or infraction, within the meaning of Section 17556 of*  
25 *the Government Code, or changes the definition of a crime within*  
26 *the meaning of Section 6 of Article XIII B of the California*  
27 *Constitution.*

28 *SEC. 13. The sum of two million six hundred twenty-five*  
29 *thousand dollars (\$2,625,000) in reimbursement authority to the*  
30 *General Fund is hereby appropriated to the Office of Emergency*  
31 *Services, as the state's Emergency Management Assistance*  
32 *Compact coordinator, to reimburse local fire departments for*  
33 *activities provided in support of the State of Nevada during the*  
34 *October 2016 Little Valley Fire.*

35 *SEC. 14. This act is a bill providing for appropriations related*  
36 *to the Budget Bill within the meaning of subdivision (e) of Section*  
37 *12 of Article IV of the California Constitution, has been identified*  
38 *as related to the budget in the Budget Bill, and shall take effect*  
39 *immediately.*

1 SECTION 1. ~~It is the intent of the Legislature to enact statutory~~  
2 ~~changes relating to the Budget Act of 2017.~~

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AMENDED IN ASSEMBLY SEPTEMBER 11, 2017

AMENDED IN ASSEMBLY SEPTEMBER 7, 2017

**SENATE BILL**

**No. 112**

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**Introduced by Committee on Budget and Fiscal Review**

January 11, 2017

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An act to amend Section 19859 of the Business and Professions Code, to amend Sections 179.9, 3557, 7310, ~~14527~~, and 15820.948 ~~of of, and to add Section 31680.15 to~~, the Government Code, to add Section 13143.7 to the Health and Safety Code, *and* to amend Section 4032 of, and to add Section 29581 to, the Penal Code, ~~to amend Section 75225 of the Public Resources Code, and to amend Sections 2033, 2034, 2192, and 2396 of the Streets and Highways Code~~, relating to state government, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

SB 112, as amended, Committee on Budget and Fiscal Review. State ~~Government.~~ *government.*

(1) The Gambling Control Act, among other things, generally requires a person to be licensed by the California Gambling Control Commission to participate in operation of a controlled game. The act requires the commission to deny a license to an applicant who has been convicted of a felony, including a conviction by a federal court or a court in another state for a crime that would constitute a felony if committed in California.

This bill would except from the requirement to deny a license a conviction of a felony for the possession of cannabis, the facts of which would not constitute a felony or misdemeanor under California law on the date the application for a license is submitted.

(2) Existing law ratifies, approves, and sets forth the provisions of the Emergency Management Assistance Compact, an interstate agreement that provides for mutual assistance between states responding to emergencies and disasters. The compact becomes inoperative on March 1, 2018, and as of January 1, 2019, is repealed.

This bill instead would make the compact inoperative on March 1, 2023, and repeal it on January 1, 2024.

(3) Existing law requires each public employer, as defined, to provide the exclusive representative mandatory access to its new employee orientations, and requires the parties, upon request of the employer or the exclusive representative, to negotiate regarding the structure, time, and manner of the access of the exclusive representative to a new employee orientation. Existing law provides that if any dispute has not been resolved within 45 days after the first meeting of the parties, or within 60 days after the initial request to negotiate, whichever comes first, either party may make a demand for compulsory interest arbitration. Existing law requires the arbitrator selection process to commence no later than 14 days prior to the negotiation period.

This bill would instead require the arbitrator selection process to commence within 14 days of a party's demand for compulsory interest arbitration. The bill would also require the party demanding compulsory interest arbitration to be responsible for requesting a panel of arbitrators from the State Mediation and Conciliation Service.

(4) Existing law requires compulsory interest arbitration to commence either on the arbitrator's earliest available date or any other date to which the parties agree, and to be completed within not less than 30 days.

This bill would instead require interest arbitration to be completed within 30 days.

(5) Existing law prohibits a city or county or local law enforcement agency from, on or after June 15, 2017, entering into a contract with the federal government or any federal agency to house or detain an adult noncitizen in a locked detention facility for purposes of civil immigration custody.

This bill would revise the reference to locked detention facilities as being those facilities owned and operated by a local entity.

(6) Existing law authorizes the Board of State and Community Corrections or the Department of Corrections and Rehabilitation, the State Public Works Board, and a participating county, as defined, to acquire, design, and construct an adult local criminal justice facility, as

defined, and provides funding for those purposes. Existing regulations of the Board of State and Community Corrections specify the number of visits that inmates held in certain types of correctional facilities are required to be provided.

Existing law requires that specified conditional funding to a participating county for the construction or renovation of a local jail facility or adult local criminal justice facility be used to construct or renovate a facility that meets or surpasses the minimum number of weekly visits as specified in regulations through the use of in-person visitation space.

This bill would make technical, clarifying changes to these provisions.

*(7) The County Employees Retirement Law of 1937 authorizes the formation of retirement systems pursuant to its provisions for the purpose of providing benefits to employees of counties, cities, and districts and prescribes conditions for service after retirement. The California Public Employees' Pension Reform Act of 2013 (PEPRA) establishes various limits on retirement benefits generally applicable to specified public employee retirement systems in the state and, among other things, prescribes limits on service after retirement without reinstatement.*

*The Public Employees' Retirement System permits a retired person to serve as an elective officer without reinstatement from retirement, provided that any portion of his or her retirement allowance based on service in that elective office is suspended during incumbency, which provisions prevail over those of PEPRA.*

*This bill, for the purposes of a retirement system formed under the County Employees Retirement Law of 1937, would permit a retired person to serve as an elective officer without reinstatement from retirement or loss or interruption of benefits, provided that his or her retirement allowance is suspended to the extent that it is based on service in that elective office.*

*(7)*

*(8) Existing law establishes the Office of the State Fire Marshal in the Department of Forestry and Fire Protection and requires the office to foster, promote, and develop ways and means of protecting life and property against fire and panic.*

This bill would require the State Fire Marshal, in consultation with the Department of Corrections and Rehabilitation, to prepare and adopt regulations establishing minimum standards for the prevention of fire and for the protection of life and property against fire in any building

or structure used or intended for use as a community correctional reentry facility, as specified. The bill would also require these standards and regulations to address buildings and structures that provide residential housing for parolees under contract with the Department of Corrections and Rehabilitation.

~~(8)~~

(9) Existing law prohibits a local detention facility, as defined, that provided in-person visitation as of January 1, 2017, from converting to only video visitation. Existing law prohibits a local detention facility from charging for visitation when visitors are onsite and participating in either in-person or video visitation. Existing law requires a local detention facility that does not offer in-person visitation to provide the first hour of remote video visitation each week free of charge.

This bill would provide that a local detention facility is required to offer the first hour of remote video visitation each week free of charge if that facility offers remote video visitation.

~~(9)~~

(10) Existing law prohibits a person who has an outstanding warrant for a felony from owning, purchasing, receiving, or possessing a firearm. A violation of this prohibition is punishable as a felony. Existing law also prohibits a person who has an outstanding warrant for certain misdemeanors from owning, purchasing, receiving, or possessing a firearm. A violation of this prohibition would be a crime, punishable by imprisonment in a county jail not exceeding one year or in the state prison, by a fine not exceeding \$1,000, or by both that imprisonment and fine.

This bill would provide that these provisions shall not apply to or affect a person who otherwise violates those provisions if the person did not have knowledge of the outstanding warrant.

~~(10) Existing law generally provides for programming and allocation of funds for transportation capital improvement projects through the state transportation improvement program process administered by the California Transportation Commission. Existing law requires 25% of available funds to be programmed and expended on interregional improvement projects nominated by the Department of Transportation, and 75% of available funds to be programmed and expended on regional improvement projects nominated by regional transportation planning agencies or county transportation commissions, as applicable, through adoption of a regional transportation improvement program. Existing law authorizes each transportation planning agency or county~~

~~transportation commission to request and receive up to 5% of those funds for the purposes of project planning, programming, and monitoring.~~

~~This bill would authorize the department to make an advance payment to transportation planning agencies and county transportation commissions from those funds for programming, planning, and monitoring if the total allocation is equal to or less than \$300,000. The bill would require funds advanced in this manner to be programmed in the state transportation improvement program and allocated by the California Transportation Commission prior to payment.~~

~~(11) Under existing law, the California Transportation Commission allocates various state and federal transportation funds through specified state programs to local and regional transportation agencies to implement projects consistent with the requirements of those programs. These programs include the Solutions for Congested Corridors Program, the Trade Corridor Enhancement Account, and a program established as part of the Road Maintenance and Rehabilitation Program to fund transportation improvements in counties that have sought and received voter approval of taxes or that have imposed fees, which taxes or fees are dedicated solely to transportation improvements. Existing law requires the commission to adopt guidelines for these programs.~~

~~This bill would authorize these guidelines to include streamlining of project delivery by authorizing an implementing agency to seek commission approval of a letter of no prejudice that would allow the agency to expend its own funds in advance of allocation of funds by the commission, and to be reimbursed at a later time for eligible expenditures, as specified.~~

~~(12) Existing law creates the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. Existing law provides for the deposit of various funds, including revenues from certain fuel taxes and vehicle fees, for the program in the Road Maintenance and Rehabilitation Account. Existing law requires funds available for the program to be allocated for various purposes and requires the remaining funds available for the program to be allocated 50% for maintenance of the state highway system or to the state highway operation and protection program and 50% for apportionment to cities and counties by the Controller pursuant to a specified formula. Prior to receiving an apportionment of funds under the program from the Controller in a fiscal year, existing law requires an eligible city or county to submit to~~



~~the California Transportation Commission a list of projects proposed to be funded with these funds. Existing law requires the commission to report to the Controller the cities and counties that have submitted a list of projects and requires the Controller, upon receipt of the report, to apportion funds to eligible cities and counties.~~

~~This bill would authorize an eligible city or county, prior to receiving an apportionment under the program, to expend other funds on eligible projects and to reimburse the source of those other funds when it receives its apportionment from the Controller. The bill would require the Controller, if a city or county is not included in the commission's initial report to the Controller, to retain the monthly share of funds that would otherwise be apportioned and distributed to that city or county and to apportion those funds to that city or county when the Controller receives a subsequent report from the commission that the city or county has become eligible, as specified. The bill would require the Controller to reapportion to all eligible cities and counties any funds that were retained in this manner but that were not apportioned and distributed under these provisions, as specified. The bill would make other related changes:~~

~~(13)~~

~~(11) This bill would appropriate \$2,625,000 in reimbursement authority to the General Fund to the Office of Emergency Services to reimburse local fire departments for activities related to the October 2016 Little Valley Fire.~~

~~(14)~~

~~(12) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.~~

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. Section 19859 of the Business and Professions
- 2 Code is amended to read:
- 3 19859. The commission shall deny a license to any applicant
- 4 who is disqualified for any of the following reasons:
- 5 (a) Failure of the applicant to clearly establish eligibility and
- 6 qualification in accordance with this chapter.
- 7 (b) Failure of the applicant to provide information,
- 8 documentation, and assurances required by this chapter or requested

1 by the chief, or failure of the applicant to reveal any fact material  
2 to qualification, or the supplying of information that is untrue or  
3 misleading as to a material fact pertaining to the qualification  
4 criteria.

5 (c) (1) Except as provided in paragraph (2), conviction of a  
6 felony, including a conviction by a federal court or a court in  
7 another state for a crime that would constitute a felony if committed  
8 in California.

9 (2) A conviction of a felony for the possession of cannabis, the  
10 facts of which would not constitute a felony or misdemeanor under  
11 California law on the date the application for a license is submitted,  
12 shall not constitute a basis to deny a license pursuant to this section.

13 (d) Conviction of the applicant for any misdemeanor involving  
14 dishonesty or moral turpitude within the 10-year period  
15 immediately preceding the submission of the application, unless  
16 the applicant has been granted relief pursuant to Section 1203.4,  
17 1203.4a, or 1203.45 of the Penal Code; provided, however, that  
18 the granting of relief pursuant to Section 1203.4, 1203.4a, or  
19 1203.45 of the Penal Code shall not constitute a limitation on the  
20 discretion of the commission under Section 19856 or affect the  
21 applicant's burden under Section 19857.

22 (e) Association of the applicant with criminal profiteering  
23 activity or organized crime, as defined by Section 186.2 of the  
24 Penal Code.

25 (f) Contumacious defiance by the applicant of any legislative  
26 investigatory body, or other official investigatory body of any state  
27 or of the United States, when that body is engaged in the  
28 investigation of crimes relating to gambling; official corruption  
29 related to gambling activities; or criminal profiteering activity or  
30 organized crime, as defined by Section 186.2 of the Penal Code.

31 (g) The applicant is less than 21 years of age.

32 SEC. 2. Section 179.9 of the Government Code is amended to  
33 read:

34 179.9. This article shall become inoperative on March 1, 2023,  
35 and, as of January 1, 2024, is repealed.

36 SEC. 3. Section 3557 of the Government Code is amended to  
37 read:

38 3557. (a) Except as provided in subdivision (g), upon request  
39 of the employer or the exclusive representative, the parties shall  
40 negotiate regarding the structure, time, and manner of the access

1 of the exclusive representative to a new employee orientation. The  
2 failure to reach agreement on the structure, time, and manner of  
3 the access shall be subject to compulsory interest arbitration  
4 pursuant to this section.

5 (b) (1) (A) Except as provided in subparagraph (B), when  
6 negotiating access to a new employee orientation, if any dispute  
7 has not been resolved within 45 days after the first meeting of the  
8 parties, or within 60 days after the initial request to negotiate,  
9 whichever comes first, either party may make a demand for  
10 compulsory interest arbitration, and if a demand is made, the  
11 procedure prescribed by this subdivision shall apply. The arbitrator  
12 selection process described in paragraph (2) shall commence within  
13 14 days of a party's demand for compulsory interest arbitration.  
14 The party demanding compulsory interest arbitration shall be  
15 responsible for requesting a panel of arbitrators from the State  
16 Mediation and Conciliation Service. A party shall not submit any  
17 proposal to compulsory interest arbitration that was not the parties'  
18 final proposal during the parties' negotiations. In the case of a  
19 school district employer whose administrative offices are closed  
20 during the summer, the timeline on this subdivision shall  
21 commence on the first day that the district administrative office  
22 reopens.

23 (B) Notwithstanding subparagraph (A), the parties may mutually  
24 agree to submit their dispute to compulsory interest arbitration at  
25 any time.

26 (2) The appointment of an arbitrator for compulsory interest  
27 arbitration shall be made by the State Mediation and Conciliation  
28 Service using its process to obtain a panel of arbitrators, except as  
29 provided in paragraph (4). Within seven days of receipt of a request  
30 for a panel, the State Mediation and Conciliation Service shall  
31 send the parties a list of seven arbitrators selected from its roster.  
32 Within seven days following the receipt of the list, the parties shall  
33 make their selection. Unless the parties agree on an alternate  
34 selection procedure, they shall alternatively strike one name from  
35 the list provided by the service until only one name remains. A  
36 coin toss shall determine which party shall strike the first name.  
37 In lieu of this process, the parties may mutually select any  
38 individual to serve as the arbitrator. Any party that fails to  
39 participate in the selection of an arbitrator within the prescribed  
40 period waives its right to strike names from the list. Interest

1 arbitration shall commence either on the arbitrator’s earliest  
2 available date or any other date to which the parties agree, and  
3 shall be completed within 30 days. The decision of the arbitrator  
4 shall be issued within 10 days and shall be final and binding on  
5 the parties. The decision shall provide the exclusive representative  
6 with reasonable access to new employee orientations. The arbitrator  
7 shall consider, weigh, and be guided by the following criteria:

8 (A) The ability of the exclusive representative to communicate  
9 with the public employees it represents.

10 (B) The legal obligations of the exclusive representative to the  
11 public employees.

12 (C) State, federal, and local laws that are applicable to the  
13 employer.

14 (D) Stipulations of the parties.

15 (E) The interests and welfare of the public and the financial  
16 condition of the public agency.

17 (F) The structure, time, and manner of access of an exclusive  
18 representative to a new employee orientation in comparable public  
19 agencies, including the access provisions in other memoranda of  
20 understanding or collective bargaining agreements containing those  
21 provisions.

22 (G) The Legislature’s findings and declarations under Section  
23 3555.

24 (H) Any other facts that are normally or traditionally taken into  
25 consideration in establishing the structure, time, and manner of  
26 access of an exclusive representative to a new employee  
27 orientation.

28 (3) The parties shall equally share all costs of arbitration.

29 (4) If a city or county objects to the procedure for appointment  
30 of an arbitrator pursuant to paragraph (2), that city or county, within  
31 five days of a demand for arbitration by the exclusive  
32 representative, may request that the Public Employment Relations  
33 Board appoint a PERB Administrative Law Judge or other PERB  
34 employee to serve as the arbitrator in lieu of an arbitrator appointed  
35 by the State Mediation and Conciliation Service. The city or county  
36 shall pay for the cost of that arbitrator. The board shall appoint the  
37 arbitrator within five days of receiving that request. The same  
38 procedures, criteria, and timeline for arbitrations set forth in  
39 paragraph (2) shall apply.

1 (c) During the period between the effective date of this section  
2 and the expiration of an existing memorandum of understanding  
3 or collective bargaining agreement between the parties, a request  
4 to meet and confer pursuant to subdivision (a) shall reopen the  
5 existing memorandum of understanding or collective bargaining  
6 agreement solely for the limited purpose of negotiating an  
7 agreement regarding access of the exclusive representative to new  
8 employee orientations. Either party may elect to negotiate a side  
9 letter or similar agreement in lieu of reopening the existing  
10 memorandum of understanding or collective bargaining agreement.  
11 This section, however, does not abrogate existing agreements  
12 between public agencies and recognized employee organizations.

13 (d) This section does not prohibit agreements between a public  
14 employer and an exclusive representative that provide for new  
15 employee orientations that vary from the requirements of this  
16 chapter. If such an agreement is negotiated, the requirements of  
17 this chapter shall not apply to the extent that they are inconsistent  
18 with the agreement. In the absence of a mutual agreement regarding  
19 new employee orientations, all of the requirements of this chapter  
20 shall apply.

21 (e) A public employer identified in subdivision (a) of Section  
22 3555.5 does not unlawfully support or favor an employee  
23 organization or encourage employees to join any organization in  
24 preference to another as prohibited by subdivision (d) of Section  
25 3506.5, subdivision (d) of Section 3519, subdivision (d) of Section  
26 3543.5, or subdivision (d) of Section 3571 of this code, or  
27 subdivision (d) of Section 99563.7 of the Public Utilities Code, or  
28 any other state law, by permitting a recognized employee  
29 organization or an exclusive representative the opportunity to  
30 present at new employee orientations as required by this section  
31 or consistent with a negotiated agreement pursuant to this section.

32 (f) This section is not intended to modify the scope of bargaining  
33 or representation under any applicable employer-employee relations  
34 statute.

35 (g) A provision in a memorandum of understanding reached  
36 pursuant to Section 3517.5, and in effect on the effective date of  
37 the act adding this section, regarding the access of an exclusive  
38 representative to a new employee orientation shall control for the  
39 duration of that agreement, and the rights and duties established  
40 by this section shall apply only upon expiration of the agreement.

1 The provisions of Section 12301.24 of the Welfare and Institutions  
2 Code regarding the access of representatives of a recognized  
3 employee organization to an orientation shall control with respect  
4 to public employers and exclusive representatives who are  
5 governed by the provisions of that section.

6 SEC. 4. Section 7310 of the Government Code is amended to  
7 read:

8 7310. (a) A city, county, city and county, or local law  
9 enforcement agency that does not, as of June 15, 2017, have a  
10 contract with the federal government or any federal agency to  
11 detain adult noncitizens for purposes of civil immigration custody,  
12 is prohibited from entering into a contract with the federal  
13 government or any federal agency, to house or detain in a locked  
14 detention facility owned and operated by a local entity, noncitizens  
15 for purposes of civil immigration custody.

16 (b) A city, county, city and county, or local law enforcement  
17 agency that, as of June 15, 2017, has an existing contract with the  
18 federal government or any federal agency to detain adult  
19 noncitizens for purposes of civil immigration custody, shall not  
20 renew or modify that contract in such a way as to expand the  
21 maximum number of contract beds that may be utilized to house  
22 or detain in a locked detention facility noncitizens for purposes of  
23 civil immigration custody.

24 ~~SEC. 5. Section 14527 of the Government Code is amended~~  
25 ~~to read:~~

26 ~~14527. (a) After consulting with the department, the regional~~  
27 ~~transportation planning agencies and county transportation~~  
28 ~~commissions shall adopt and submit to the commission and the~~  
29 ~~department, not later than December 15, 2001, and December 15~~  
30 ~~of each odd-numbered year thereafter, a five-year regional~~  
31 ~~transportation improvement program in conformance with Section~~  
32 ~~65082. In counties where a county transportation commission has~~  
33 ~~been created pursuant to Chapter 2 (commencing with Section~~  
34 ~~130050) of Division 12 of the Public Utilities Code, that~~  
35 ~~commission shall adopt and submit the county transportation~~  
36 ~~improvement program, in conformance with Sections 130303 and~~  
37 ~~130304 of that code, to the multicounty-designated transportation~~  
38 ~~planning agency. Other information, including a program for~~  
39 ~~expenditure of local or federal funds, may be submitted for~~  
40 ~~information purposes with the program, but only at the discretion~~

1 of the transportation planning agencies or the county transportation  
2 commissions. As used in this section, “county transportation  
3 commission” includes a transportation authority created pursuant  
4 to Chapter 2 (commencing with Section 130050) of Division 12  
5 of the Public Utilities Code.

6 ~~(b) The regional transportation improvement program shall~~  
7 ~~include all projects to be funded with the county share under~~  
8 ~~paragraph (2) of subdivision (a) of Section 164 of the Streets and~~  
9 ~~Highways Code. The regional programs shall be limited to projects~~  
10 ~~to be funded in whole or in part with the county share that shall~~  
11 ~~include all projects to receive allocations by the commission during~~  
12 ~~the following five fiscal years. For each project, the total~~  
13 ~~expenditure for each project component and the total amount of~~  
14 ~~commission allocation and the year of allocation shall be stated.~~  
15 ~~The total cost of projects to be funded with the county share shall~~  
16 ~~not exceed the amount specified in the fund estimate made by the~~  
17 ~~commission pursuant to Section 14525.~~

18 ~~(c) The regional transportation planning agencies and county~~  
19 ~~transportation commissions may recommend projects to improve~~  
20 ~~state highways with the interregional share pursuant to subdivision~~  
21 ~~(b) of Section 164 of the Streets and Highways Code. The~~  
22 ~~recommendations shall be separate and distinct from the regional~~  
23 ~~transportation improvement program. A project recommended for~~  
24 ~~funding pursuant to this subdivision shall constitute a usable~~  
25 ~~segment and shall not be a condition for inclusion of other projects~~  
26 ~~in the regional transportation improvement program.~~

27 ~~(d) The department may nominate or recommend the inclusion~~  
28 ~~of projects in the regional transportation improvement program to~~  
29 ~~improve state highways with the county share pursuant to~~  
30 ~~paragraph (2) of subdivision (a) and subdivision (c) of Section 164~~  
31 ~~of the Streets and Highways Code. A regional transportation~~  
32 ~~planning agency and a county transportation commission shall~~  
33 ~~have sole authority for determining whether any of the project~~  
34 ~~nominations or recommendations are accepted and included in the~~  
35 ~~regional transportation improvement program adopted and~~  
36 ~~submitted pursuant to this section. This authority provided to a~~  
37 ~~regional transportation planning agency or to a county~~  
38 ~~transportation commission extends only to a project located within~~  
39 ~~its jurisdiction.~~

1 ~~(e) Major projects shall include current costs updated as of~~  
2 ~~November 1 of the year of submittal and escalated to the~~  
3 ~~appropriate year, and shall be consistent with, and provide the~~  
4 ~~information required in, subdivision (b) of Section 14529.~~

5 ~~(f) The regional transportation improvement program may not~~  
6 ~~change the project delivery milestone date of any project as shown~~  
7 ~~in the prior adopted state transportation improvement program~~  
8 ~~without the consent of the department or other agency responsible~~  
9 ~~for the project's delivery.~~

10 ~~(g) Projects may not be included in the regional transportation~~  
11 ~~improvement program without a complete project study report or,~~  
12 ~~for a project that is not on a state highway, a project study report~~  
13 ~~equivalent or major investment study.~~

14 ~~(h) (1) Each transportation planning agency and county~~  
15 ~~transportation commission may request and receive an amount not~~  
16 ~~to exceed 5 percent of its county share for the purposes of project~~  
17 ~~planning, programming, and monitoring.~~

18 ~~(2) Notwithstanding any other law, but to the extent consistent~~  
19 ~~with applicable federal law or regulation, the department may~~  
20 ~~make an advance payment up to three hundred thousand dollars~~  
21 ~~(\$300,000) per year to transportation planning agencies and county~~  
22 ~~transportation commissions for programming, planning, and~~  
23 ~~monitoring under paragraph (1) where the total allocation under~~  
24 ~~that paragraph is equal to or less than three hundred thousand~~  
25 ~~dollars (\$300,000). Funds advanced shall be programmed in the~~  
26 ~~State Transportation Improvement Program and allocated by the~~  
27 ~~California Transportation Commission prior to payment.~~

28 ~~SEC. 6.~~

29 *SEC. 5.* Section 15820.948 of the Government Code is amended  
30 to read:

31 15820.948. (a) Notwithstanding any other law, any funding  
32 conditionally awarded after the effective date of the legislation  
33 that added this section by the Board of State and Community  
34 Corrections pursuant to Chapter 3.11 (commencing with Section  
35 15820.90), Chapter 3.12 (commencing with Section 15820.91),  
36 Chapter 3.13 (commencing with Section 15820.92), or Chapter  
37 3.131 (commencing with Section 15820.93), to a participating  
38 county for the construction or renovation of a local jail facility or  
39 adult local criminal justice facility shall be used to construct or  
40 renovate a facility that meets or surpasses the minimum number



1 of weekly visits as specified by Section 1062 of Title 15 of the  
2 California Code of Regulations through the use of in-person  
3 visitation space.

4 (b) For any proposals previously submitted to the board pursuant  
5 to the funding authority referenced in subdivision (a) that only  
6 provided for video visitation, the board shall require the  
7 participating county to submit a scope change to include in-person  
8 visitation prior to the board's approval of the conditional award.

9 (c) For purposes of this section, the following definitions shall  
10 apply:

11 (1) "In-person visit" means an on-site visit that may include  
12 barriers. In-person visits include interactions in which an inmate  
13 has physical contact with a visitor, the inmate is able to see a visitor  
14 through a barrier, or the inmate is otherwise in a room with a visitor  
15 without physical contact. "In-person visit" does not include an  
16 interaction between an inmate and a visitor through the use of an  
17 on-site, two-way, audio-video terminal.

18 (2) "Video visitation" means interaction between an inmate and  
19 a member of the public through the means of an audio-visual  
20 communication device when the member of the public is located  
21 at a local detention facility or at a remote location.

22 *SEC. 6. Section 31680.15 is added to the Government Code,*  
23 *to read:*

24 *31680.15. (a) On and after January 1, 2018, a person who*  
25 *has retired under this chapter may serve without reinstatement*  
26 *from retirement or loss or interruption of benefits under this*  
27 *chapter, as an elective officer.*

28 *(b) If a retired person serves without reinstatement from*  
29 *retirement in an elective office and part or all of his or her*  
30 *retirement allowance is based on service in that elective office,*  
31 *the portion of the allowance based on service in that elective office*  
32 *shall be suspended during incumbency in that elective office. The*  
33 *entire retirement allowance shall be paid for time on and after the*  
34 *person vacates the elective office in the monthly amount payable*  
35 *had the allowance not been suspended.*

36 *SEC. 7. Section 13143.7 is added to the Health and Safety*  
37 *Code, to read:*

38 *13143.7. (a) Except as provided in Section 18930, the State*  
39 *Fire Marshal, in consultation with the Department of Corrections*  
40 *and Rehabilitation, shall prepare and adopt regulations establishing*

1 minimum standards for the prevention of fire and for the protection  
2 of life and property against fire in any building or structure used  
3 or intended for use as a community correctional reentry facility,  
4 as defined in Section 6258 of the Penal Code. The State Fire  
5 Marshal shall adopt and submit building standards for approval  
6 pursuant to the provisions of Chapter 4 (commencing with Section  
7 18935) of Part 2.5 of Division 13 for the purposes described in  
8 this section.

9 (b) The regulations and building standards developed pursuant  
10 to subdivision (a) shall also address buildings and structures that  
11 provide residential housing for parolees under contract with the  
12 Department of Corrections and Rehabilitation.

13 SEC. 8. Section 4032 of the Penal Code is amended to read:

14 4032. (a) For purposes of this section, the following definitions  
15 shall apply:

16 (1) “In-person visit” means an on-site visit that may include  
17 barriers. In-person visits include interactions in which an inmate  
18 has physical contact with a visitor, the inmate is able to see a visitor  
19 through a barrier, or the inmate is otherwise in a room with a visitor  
20 without physical contact. “In-person visit” does not include an  
21 interaction between an inmate and a visitor through the use of an  
22 on-site, two-way, audio-video terminal.

23 (2) “Video visitation” means interaction between an inmate and  
24 a member of the public through the means of an audio-visual  
25 communication device when the member of the public is located  
26 at a local detention facility or at a remote location.

27 (3) “Local detention facility” has the same meaning as defined  
28 in Section 6031.4.

29 (b) A local detention facility that offered in-person visitation  
30 as of January 1, 2017, may not convert to video visitation only.

31 (c) A local detention facility shall not charge for visitation when  
32 visitors are onsite and participating in either in-person or video  
33 visitation. For purposes of this subdivision, “onsite” is defined as  
34 at the location where the inmate is housed.

35 (d) If a local detention facility offered video visitation only as  
36 of January 1, 2017, on-site video visitation shall be offered free  
37 of charge, and the first hour of remote video visitation per week  
38 shall be offered free of charge if the facility offers remote video  
39 visitation.

40 SEC. 9. Section 29581 is added to the Penal Code, to read:

1 29581. Sections 29800 and 29805 shall not apply to or affect  
2 a person who otherwise violates those sections if the person did  
3 not have knowledge of the outstanding warrant.

4 ~~SEC. 10. Section 75225 of the Public Resources Code is~~  
5 ~~amended to read:~~

6 ~~75225. (a) A lead applicant agency may apply to the~~  
7 ~~commission for a letter of no prejudice for a project or for any~~  
8 ~~component of a project included in the program of projects~~  
9 ~~approved by the Transportation Agency. If approved by the~~  
10 ~~commission, the letter of no prejudice shall allow the lead applicant~~  
11 ~~agency to expend its own moneys for the project or any component~~  
12 ~~of the project and to be eligible for future reimbursement, as~~  
13 ~~applicable, from moneys available for the program from the~~  
14 ~~Greenhouse Gas Reduction Fund, created pursuant to Section~~  
15 ~~16428.8 of the Government Code, or from moneys available for~~  
16 ~~the program pursuant to subdivision (a) of Section 11053 of the~~  
17 ~~Revenue and Taxation Code.~~

18 ~~(b) The amount expended under subdivision (a) shall be~~  
19 ~~reimbursed by the state from moneys available for the program if~~  
20 ~~all of the following conditions are met:~~

21 ~~(1) The project or project component for which the letter of no~~  
22 ~~prejudice was requested has commenced, and the regional or local~~  
23 ~~expenditures have been incurred.~~

24 ~~(2) The expenditures made by the lead applicant agency are~~  
25 ~~eligible for reimbursement in accordance with applicable laws and~~  
26 ~~procedures. If expenditures made by the lead applicant agency are~~  
27 ~~determined to be ineligible, the state has no obligation to reimburse~~  
28 ~~those expenditures.~~

29 ~~(3) The lead applicant agency complies with all legal~~  
30 ~~requirements for the project, including the requirements of the~~  
31 ~~California Environmental Quality Act (Division 13 (commencing~~  
32 ~~with Section 21000)):~~

33 ~~(4) There are moneys designated for the program that are~~  
34 ~~sufficient to make the reimbursement payment.~~

35 ~~(e) The lead applicant agency and the commission shall enter~~  
36 ~~into an agreement governing reimbursement as described in this~~  
37 ~~section. The timing and final amount of reimbursement is~~  
38 ~~dependent on the terms of the agreement and the availability of~~  
39 ~~moneys for the program.~~

1 ~~(d) The commission, in consultation with intercity, commuter,~~  
2 ~~urban rail, and other public transit entities, may develop guidelines~~  
3 ~~to implement this section.~~

4 ~~SEC. 11. Section 2033 of the Streets and Highways Code is~~  
5 ~~amended to read:~~

6 ~~2033. (a) On or before January 1, 2018, the commission, in~~  
7 ~~cooperation with the department, transportation planning agencies,~~  
8 ~~county transportation commissions, and other local agencies, shall~~  
9 ~~develop guidelines for the allocation of funds pursuant to~~  
10 ~~subdivision (a) of Section 2032.~~

11 ~~(b) The guidelines shall be the complete and full statement of~~  
12 ~~the policy, standards, and criteria that the commission intends to~~  
13 ~~use to determine how these funds will be allocated.~~

14 ~~(c) The commission may amend the adopted guidelines after~~  
15 ~~conducting at least one public hearing.~~

16 ~~(d) The guidelines may include streamlining of project delivery~~  
17 ~~by authorizing local or regional transportation agencies to seek~~  
18 ~~commission approval of a letter of no prejudice that allows the~~  
19 ~~agency to expend its own funds in advance of an allocation of~~  
20 ~~funds by the commission, and to be reimbursed at a later time for~~  
21 ~~eligible expenditures. A letter of no prejudice shall only be~~  
22 ~~available to local or regional transportation agencies for moneys~~  
23 ~~that have been identified for future allocation to the applicant~~  
24 ~~agency. Moneys designated pursuant to (a) of Section 2032 shall~~  
25 ~~only be reimbursed when there is funding available in an amount~~  
26 ~~sufficient to make the reimbursement.~~

27 ~~SEC. 12. Section 2034 of the Streets and Highways Code is~~  
28 ~~amended to read:~~

29 ~~2034. (a) (1) Prior to receiving an apportionment of funds~~  
30 ~~under the program pursuant to paragraph (2) of subdivision (h) of~~  
31 ~~Section 2032 from the Controller in a fiscal year, an eligible city~~  
32 ~~or county shall submit to the commission a list of projects proposed~~  
33 ~~to be funded with these funds. All projects proposed to receive~~  
34 ~~funding shall be adopted by resolution by the applicable city~~  
35 ~~council or county board of supervisors at a regular public meeting.~~  
36 ~~The list of projects proposed to be funded with these funds shall~~  
37 ~~include a description and the location of each proposed project, a~~  
38 ~~proposed schedule for the project's completion, and the estimated~~  
39 ~~useful life of the improvement. The project list shall not limit the~~  
40 ~~flexibility of an eligible city or county to fund projects in~~

1 accordance with local needs and priorities so long as the projects  
2 are consistent with subdivision (b) of Section 2030.

3 (2) The commission shall submit an initial report to the  
4 Controller that indicates the cities and counties that have submitted  
5 a list of projects as described in this subdivision and that are  
6 therefore eligible to receive an apportionment of funds under the  
7 program for the applicable fiscal year. If the commission receives  
8 a list of projects from a city or county after it submits its initial  
9 report to the Controller, the commission shall submit a subsequent  
10 report to the Controller that indicates the cities and counties that  
11 submitted a list of projects after the commission submitted its  
12 initial report.

13 (3) The Controller, upon receipt of the initial report, shall  
14 apportion funds to eligible cities and counties.

15 (4) (A) For any city or county that is not included in the initial  
16 report submitted to the Controller pursuant to paragraph (2), the  
17 Controller shall retain the monthly share of funds that would  
18 otherwise be apportioned and distributed to the city or county  
19 pursuant to paragraph (3).

20 (B) If the Controller receives a subsequent report from the  
21 commission within 90 days of receiving the initial report from the  
22 commission that a city or county has become eligible to receive  
23 an apportionment, the Controller shall apportion the funds retained  
24 pursuant to subparagraph (A) to the city or county.

25 (C) The Controller shall reapportion to all eligible cities and  
26 counties pursuant to the formula in clauses (i) and (ii) of  
27 subparagraph (C) of paragraph (3) of subdivision (a) of Section  
28 2103 any funds that were retained pursuant to subparagraph (A)  
29 but that were not apportioned and distributed pursuant to  
30 subparagraph (B).

31 (b) For each fiscal year, each city or county receiving an  
32 apportionment of funds shall, upon expending program funds,  
33 submit documentation to the commission that details the  
34 expenditures of all funds under the program, including a description  
35 and location of each completed project, the amount of funds  
36 expended on the project, the completion date, if applicable, and  
37 the estimated useful life of the improvement.

38 (e) Prior to receiving an apportionment of funds under the  
39 program pursuant to paragraph (2) of subdivision (h) of Section  
40 2032 from the Controller in a fiscal year, an eligible city or county

1 may expend other funds on eligible projects and may reimburse  
2 the source of those other funds when it receives its apportionment  
3 from the Controller.

4 SEC. 13. Section 2192 of the Streets and Highways Code is  
5 amended to read:

6 2192. (a) The following revenues shall be allocated for  
7 infrastructure projects pursuant to this section:

8 (1) The revenues deposited in the Trade Corridors Enhancement  
9 Account pursuant to Section 2192.4, except for those revenues in  
10 the account that were appropriated by Senate Bill 132 of the  
11 2017–18 Regular Session (Chapter 7 of the Statutes of 2017).

12 (2) An amount of federal funds equal to the amount of revenue  
13 apportioned to the state under Section 167 of Title 23 of the United  
14 States Code from the national highway freight programs, pursuant  
15 to the federal Fixing America’s Surface Transportation Act (“FAST  
16 Act,” Public Law 114-94).

17 (b) The funding described in subdivision (a) shall be available  
18 upon appropriation for allocation by the California Transportation  
19 Commission for infrastructure improvements in this state on  
20 federally designated Trade Corridors of National and Regional  
21 Significance, on the Primary Freight Network, and along other  
22 corridors that have a high volume of freight movement, as  
23 determined by the commission and as identified in the state freight  
24 plan developed pursuant to Section 13978.8 of the Government  
25 Code. Projects eligible for funding shall be included in an adopted  
26 regional transportation plan. Projects within the boundaries of a  
27 metropolitan planning organization shall be included in an adopted  
28 regional transportation plan that includes a sustainable communities  
29 strategy determined by the State Air Resources Board to achieve  
30 the region’s greenhouse gas emissions reduction targets. In  
31 developing guidelines for implementing this section, the  
32 commission shall (1) apply the guiding principles, to the maximum  
33 extent practicable, in the California Sustainable Freight Action  
34 Plan released in July 2016 pursuant to Executive Order B-32-15,  
35 and (2) consult the state freight plan and the applicable port master  
36 plan.

37 (c) Eligible projects for these funds include, but are not limited  
38 to, all of the following:

39 (1) Highway improvements to more efficiently accommodate  
40 the movement of freight, particularly for ingress and egress to and

1 from the state's land ports of entry, rail terminals, and seaports,  
2 including navigable inland waterways used to transport freight  
3 between seaports, land ports of entry, and airports, and to relieve  
4 traffic congestion along major trade or goods movement corridors.

5 (2) Freight rail system improvements to enhance the ability to  
6 move goods from seaports, land ports of entry, and airports to  
7 warehousing and distribution centers throughout California,  
8 including projects that separate rail lines from highway or local  
9 road traffic, improve freight rail mobility, and other projects that  
10 improve the safety, efficiency, and capacity of the rail freight  
11 system.

12 (3) Projects to enhance the capacity and efficiency of ports,  
13 except that funds available under this section shall not be allocated  
14 to a project that includes the purchase of fully automated cargo  
15 handling equipment. For the purposes of this paragraph, "fully  
16 automated" means equipment that is remotely operated or remotely  
17 monitored, with or without the exercise of human intervention or  
18 control. Nothing in this paragraph shall prohibit the use of funds  
19 available pursuant to this section for a project that includes the  
20 purchase of human-operated zero-emission equipment,  
21 human-operated near-zero-emission equipment, and infrastructure  
22 supporting that human-operated equipment. Furthermore, nothing  
23 in this section shall prohibit the purchase of devices that support  
24 that human-operated equipment, including equipment to evaluate  
25 the utilization and environmental benefits of that human-operated  
26 equipment.

27 (4) Truck corridor improvements, including dedicated truck  
28 facilities or truck toll facilities, including the mitigation of the  
29 emissions from trucks or these facilities.

30 (5) Border access improvements that enhance goods movement  
31 between California and Mexico and that maximize the state's  
32 ability to access funds made available to the state by federal law.

33 (6) Surface transportation, local road, and connector road  
34 improvements to effectively facilitate the movement of goods,  
35 particularly for ingress and egress to and from the state's land ports  
36 of entry, airports, and seaports, to relieve traffic congestion along  
37 major trade or goods movement corridors.

38 (d) Projects funded with revenues identified in paragraph (1)  
39 of subdivision (a) shall be consistent with Article XIX of the  
40 California Constitution.

1 ~~(e) (1) In adopting the program of projects to be funded with~~  
2 ~~funds described in subdivision (a), the commission shall evaluate~~  
3 ~~the total potential economic and noneconomic benefits of the~~  
4 ~~program of projects to California's economy, environment, and~~  
5 ~~public health. The evaluation shall specifically assess localized~~  
6 ~~impacts in disadvantaged communities. The commission shall~~  
7 ~~consult with the agencies identified in Executive Order B-32-15~~  
8 ~~and metropolitan planning organizations in order to utilize the~~  
9 ~~appropriate models, techniques, and methods to develop the~~  
10 ~~parameters for evaluating the program of projects. The commission~~  
11 ~~shall allocate the funding from subdivision (a) for trade~~  
12 ~~infrastructure improvements as follows:~~

13 ~~(A) Sixty percent of the funds shall be available for projects~~  
14 ~~nominated by regional transportation agencies and other public~~  
15 ~~agencies, including counties, cities, and port authorities, in~~  
16 ~~consultation with the department. The commission shall provide~~  
17 ~~reasonable geographic targets for funding allocations without~~  
18 ~~constraining what an agency may propose or what the commission~~  
19 ~~may approve.~~

20 ~~(B) Forty percent of the funds shall be available for projects~~  
21 ~~nominated by the department, in consultation with regional~~  
22 ~~transportation agencies.~~

23 ~~(2) In adopting a program of projects pursuant to paragraph (1),~~  
24 ~~the commission shall prioritize projects jointly nominated and~~  
25 ~~jointly funded by the state and local agencies. In considering~~  
26 ~~geographic balance for the overall program, the commission may~~  
27 ~~adjust the corridor-based targets in subparagraph (A) of paragraph~~  
28 ~~(1) to account for projects programmed pursuant to subparagraph~~  
29 ~~(B) of paragraph (1).~~

30 ~~(f) (1) The commission shall adopt guidelines, including a~~  
31 ~~transparent process to evaluate projects and to allocate the funding~~  
32 ~~described in subdivision (a) for trade infrastructure improvements~~  
33 ~~in a manner that (1) addresses the state's most urgent needs, (2)~~  
34 ~~balances the demands of various land ports of entry, seaports, and~~  
35 ~~airports, (3) places emphasis on projects that improve trade corridor~~  
36 ~~mobility and safety while reducing emissions of diesel particulates,~~  
37 ~~greenhouse gases, and other pollutants and reducing other negative~~  
38 ~~community impacts, especially in disadvantaged communities, (4)~~  
39 ~~makes a significant contribution to the state's economy, (5)~~  
40 ~~recognizes the key role of the state in project identification, (6)~~



1 supports integrating statewide goods movement priorities in a  
2 corridor approach, and (7) includes disadvantaged communities  
3 measures, as established by the California Environmental  
4 Protection Agency pursuant to Section 39711 of the Health and  
5 Safety Code, and other tools the commission determines, for  
6 evaluating benefits or costs for disadvantaged communities and  
7 low-income communities. Project nominations shall include either  
8 a quantitative or qualitative assessment of the benefits the project  
9 is expected to achieve relative to the evaluation criteria.

10 (2) The guidelines adopted pursuant to paragraph (1) may  
11 include streamlining of project delivery by authorizing regional  
12 transportation agencies and other public agencies to seek  
13 commission approval of a letter of no prejudice that allows the  
14 agency to expend its own funds for a project programmed in a  
15 future year of the adopted program of projects, in advance of  
16 allocation of funds to the project by the commission, and to be  
17 reimbursed at a later time for eligible expenditures. A letter of no  
18 prejudice shall only be available to local or regional transportation  
19 agencies for moneys that have been identified for future allocation  
20 to the applicant agency. Monies designated for the program shall  
21 only be reimbursed when there is funding available in an amount  
22 sufficient to make the reimbursement.

23 (g) In addition, the commission shall also consider the following  
24 factors when allocating these funds:

25 (1) “Velocity,” which means the speed by which large cargo  
26 would travel from the land port of entry or seaport through the  
27 distribution system.

28 (2) “Throughput,” which means the volume of cargo that would  
29 move from the land port of entry or seaport through the distribution  
30 system.

31 (3) “Reliability,” which means a reasonably consistent and  
32 predictable amount of time for cargo to travel from one point to  
33 another on any given day or at any given time in California.

34 (4) “Congestion reduction,” which means the reduction in  
35 recurrent daily hours of delay to be achieved.

36 (h) For purposes of this section, the following terms have the  
37 following meanings:

38 (1) “Disadvantaged communities” are those communities  
39 identified by the California Environmental Protection Agency  
40 pursuant to Section 39711 of the Health and Safety Code.

1     ~~(2) “Low-income communities” are census tracts with median~~  
2 ~~household incomes at or below 80 percent of the statewide median~~  
3 ~~income or with median household incomes at or below the~~  
4 ~~threshold designated as low income by the Department of Housing~~  
5 ~~and Community Development’s list of state income limits adopted~~  
6 ~~pursuant to Section 50093 of the Health and Safety Code.~~

7     ~~(i) It is the intent of the Legislature for the commission to adopt~~  
8 ~~an initial program of projects utilizing the state and federal funds~~  
9 ~~described in subdivision (a) for eligible projects as soon as~~  
10 ~~practicable and no later than May 17, 2018.~~

11     ~~SEC. 14. Section 2396 of the Streets and Highways Code is~~  
12 ~~amended to read:~~

13     ~~2396. (a) The commission, in consultation with the State Air~~  
14 ~~Resources Board, shall develop and adopt guidelines for the~~  
15 ~~program consistent with the requirements of this chapter.~~  
16 ~~Guidelines adopted by the commission shall be exempt from the~~  
17 ~~Administrative Procedure Act (Chapter 3.5 (commencing with~~  
18 ~~Section 11340) of Part 1 of Division 3 of Title 2 of the Government~~  
19 ~~Code). Prior to adopting the guidelines, the commission shall~~  
20 ~~conduct at least one public hearing in northern California and one~~  
21 ~~public hearing in southern California to review and provide an~~  
22 ~~opportunity for public comment. The commission shall adopt the~~  
23 ~~final guidelines no sooner than 30 days after the commission~~  
24 ~~provides the proposed guidelines to the Joint Legislative Budget~~  
25 ~~Committee and the transportation policy committees in the Senate~~  
26 ~~and the Assembly.~~

27     ~~(b) The guidelines adopted pursuant to subdivision (a) may~~  
28 ~~include streamlining of project delivery by authorizing regional~~  
29 ~~agencies to seek commission approval of a letter of no prejudice~~  
30 ~~that allows the agency to expend its own funds for a project~~  
31 ~~programmed in a future year of the adopted program of projects,~~  
32 ~~in advance of allocation of funds to the project by the commission,~~  
33 ~~and to be reimbursed at a later time for eligible expenditures. A~~  
34 ~~letter of no prejudice shall only be available to local or regional~~  
35 ~~transportation agencies for moneys that have been identified for~~  
36 ~~future allocation to the applicant agency. Moneys designated for~~  
37 ~~the program shall only be reimbursed when there is funding~~  
38 ~~available in an amount sufficient to make the reimbursement.~~

1     ~~SEC. 15.~~

2     *SEC. 10.* The sum of two million six hundred twenty-five  
3 thousand dollars (\$2,625,000) in reimbursement authority to the  
4 General Fund is hereby appropriated to the ~~California~~ Office of  
5 Emergency ~~Service~~, *Services*, as the state's Emergency  
6 Management Assistance Compact coordinator, to reimburse local  
7 fire departments for activities provided in support of the State of  
8 Nevada during the October 2016 Little Valley Fire.

9     ~~SEC. 16.~~

10    *SEC. 11.* This act is a bill providing for appropriations related  
11 to the Budget Bill within the meaning of subdivision (e) of Section  
12 12 of Article IV of the California Constitution, has been identified  
13 as related to the budget in the Budget Bill, and shall take effect  
14 immediately.

**State of California**

**GOVERNMENT CODE**

**Section 21231**

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21231. (a) On and after January 1, 2013, a retired person may serve without reinstatement from retirement or loss or interruption of benefits provided by this system, as an elective officer.

(b) If a retired person serves without reinstatement from retirement in an elective office and part or all of his or her retirement allowance is based on service in that elective office, the portion of the allowance based on service in that elective office shall be suspended during incumbency in that elective office. The entire retirement allowance shall be paid for time on and after the person vacates the elective office in the monthly amount payable had the allowance not been suspended. The governing body of every employer other than the state shall cause immediate notice to be given to this system of the election of any retired person to an office of the employer.

(Added by Stats. 2015, Ch. 25, Sec. 33. (SB 84) Effective June 24, 2015.)

**INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE  
 RETIREE HEALTHCARE BENEFITS PROGRAM  
 STAFF ACTIVITIES REPORT  
 SEPTEMBER 2017  
 FOR INFORMATION ONLY**

**Centers for Medicare and Medicaid Services (CMS) Medicare Part D  
 Retiree Drug Subsidy (RDS) Applications Plan Year 7/1/2015 –  
 6/30/2016 – Subsidy Payment**

On September 13, 2017, Staff and carriers completed the reconciliation and submitted the subsidy payment requests to CMS/RDS for the following carriers: Anthem Blue Cross, Cigna, Kaiser, and Local 1014.

The chart below shows the subsidy payment amounts approved by CMS and received by LACERA as of September 29, 2017:

<b>Plan</b>	<b>Total Subsidy Payment Amount Approved and Received (In Mil)</b>
Anthem Blue Cross	\$9,133,866
Cigna HMO	\$238,781
Kaiser	\$392,388
LACFF Local 1014	\$951,051
<b>TOTAL:</b>	<b>\$10,716,087</b>

**LACERA Retiree Wellness Program called Staying Healthy Together – Fall 2017 Workshop**

The Fall 2017 Staying Healthy Together Program half-day workshop held on September 18, 2017, at the Diamond Bar Center in Diamond Bar was well received by our members and was a huge success. Approximately 340 members were in attendance.

Elvira Garay from Kaiser Permanente provided an excellent presentation titled “Healthy Eating, Healthy Aging” and discussed the following topics:

- Eat Well Guidelines
- Identify Age-Specific nutritional needs
- Select healthier food options
- Create a personal action plan

Members especially enjoyed the engaging presentation, cooking demonstration, and interactive dancing sponsored by Kaiser, plus activities such as chair massage, blood pressure check, and tabletop pinball provided by our other health plan partners.

Here’s what some of the attendees had to say:

- “I did enjoy this workshop for info provided, entertainment, service, food, cooking demonstration and questions answered in a beautiful setting. Thank you very much!”
- “Excellent speaker thank you for sponsoring these healthy aging workshops and serving healthy snacks and lunch.”
- “Outstanding. Thank you for the meals and drinks and fruit including the vendors. They are very nice and kind.”
- “Very informative nutrition speaker. The “salad” preparation demo is great!”
- “LACERA staff was friendly, knowledgeable, a pleasure to talk to.”

Kudos to the Retiree Healthcare team, Segal team and our carriers (Anthem Blue Cross, Cigna, CVS Caremark, Kaiser Permanente, SCAN Health Plan, and UnitedHealthcare) for their continued support and assistance!

### **Carrier Summit Meeting**

On September 20, 2017, staff, representatives from Segal and carriers met for the Carrier Summit Meeting held at LACERA office. The following topics were discussed:

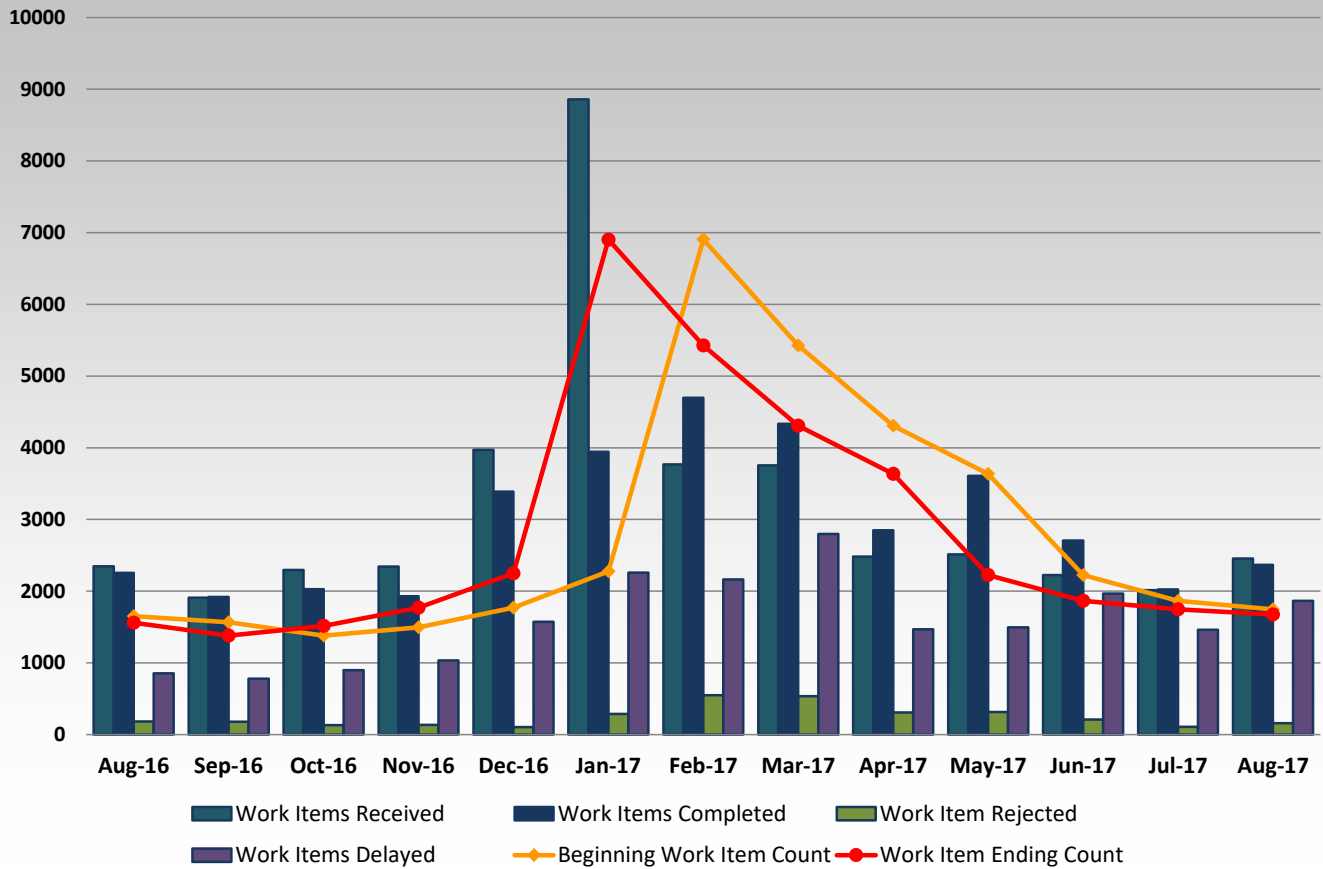
- Feedback from the Fall 2017 Staying Healthy Together half-day workshop
- Presentations by each carrier of available resources
- 2018-2019 carrier renewal calendar
- 2018 Board of Retirement Offsite Meeting Presentation Ideas

# Retiree Healthcare Division

## Trend Report

AUG. 2016-AUG. 2017

Updated 9/27/2017



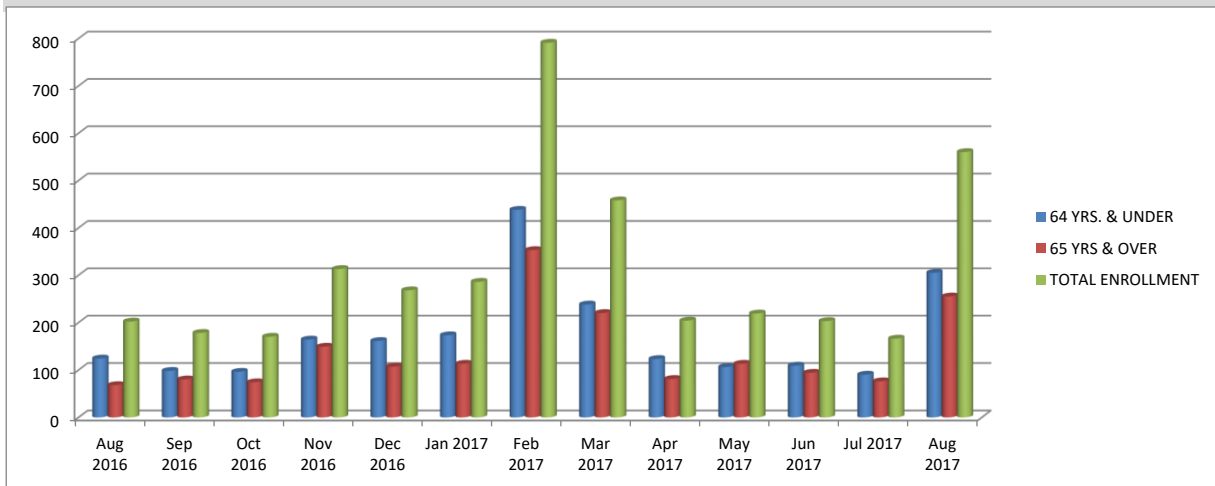
	Beginning Work Item Count	Work Items Received	Work Items Completed	Work Item Rejected	Work Items Delayed	Work Item Ending Count
Aug-16	1652	2347	2255	183	855	1561
Sep-16	1568	1910	1920	178	780	1380
Oct-16	1380	2295	2027	132	899	1516
Nov-16	1494	2342	1929	135	1034	1772
Dec-16	1772	3970	3387	105	1572	2250
Jan-17	2276	8859	3944	288	2260	6903
Feb-17	6906	3767	4698	549	2164	5426
Mar-17	5426	3753	4334	537	2798	4308
Apr-17	4308	2484	2848	308	1467	3636
May-17	3636	2513	3609	314	1495	2226
Jun-17	2226	2225	2706	211	1966	1864
Jul-17	1864	2016	2026	108	1460	1746
Aug-17	1746	2457	2368	160	1865	1675



## Retirees Monthly Age Breakdown AUG. 2016 ~ AUG. 2017

### Service Retirement

MONTH	64 YRS. & UNDER	65 YRS & OVER	TOTAL ENROLLMENT
Aug 2016	124	68	202
Sep 2016	98	80	178
Oct 2016	96	74	170
Nov 2016	164	149	313
Dec 2016	161	107	268
Jan 2017	173	113	286
Feb 2017	438	353	791
Mar 2017	238	220	458
Apr 2017	123	81	204
May 2017	106	113	219
Jun 2017	109	94	203
Jul 2017	90	76	166
Aug 2017	305	255	560



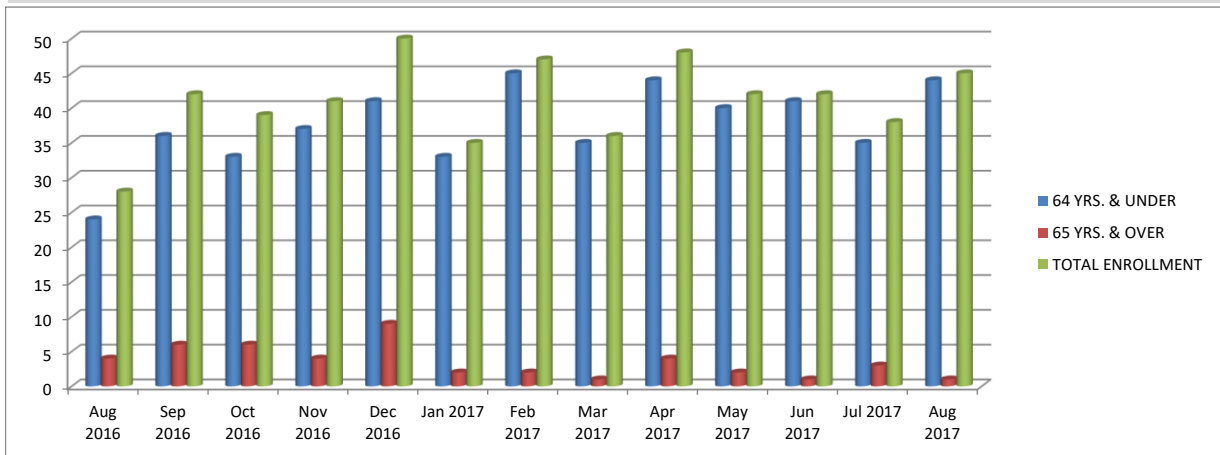
**PLEASE NOTE:**

- September's data (9/2017) is not yet available as data is provided on a full month basis.
- Next Report will include the following dates: September 1, 2016 through September 30, 2017.

## Retirees Monthly Age Breakdown AUG. 2016 ~ AUG. 2017

### Disability Retirement

MONTH	64 YRS. & UNDER	65 YRS. & OVER	TOTAL ENROLLMENT
Aug 2016	24	4	28
Sep 2016	36	6	42
Oct 2016	33	6	39
Nov 2016	37	4	41
Dec 2016	41	9	50
Jan 2017	33	2	35
Feb 2017	45	2	47
Mar 2017	35	1	36
Apr 2017	44	4	48
May 2017	40	2	42
Jun 2017	41	1	42
Jul 2017	35	3	38
Aug 2017	44	1	45



**PLEASE NOTE:**

- September data (9/2017) is not yet available as data is provided on a full month basis.
- Next Report will include the following dates: September 1, 2016 through September 30, 2017.

**Medicare Part B Reimbursement and Penalty Report**  
**PAY PERIOD 9/30/2017**

<b>Deduction Code</b>	<b>No. of Members</b>	<b>Reimbursement Amount</b>	<b>No. of Penalties</b>	<b>Penalty Amount</b>
<b>ANTHEM BC III</b>				
222	1	\$268.00	0	\$0.00
240	6,442	\$710,444.40	8	\$246.50
241	155	\$16,783.00	0	\$0.00
242	852	\$97,676.70	0	\$0.00
243	3,717	\$819,975.10	6	\$473.50
244	21	\$2,326.30	0	\$0.00
245	48	\$5,424.80	0	\$0.00
246	19	\$2,120.30	0	\$0.00
247	103	\$11,639.10	0	\$0.00
248	11	\$2,406.50	1	\$36.50
249	44	\$10,132.20	0	\$0.00
250	14	\$3,110.80	0	\$0.00
<b>Plan Total:</b>	<b>11,427</b>	<b>\$1,682,307.20</b>	<b>15</b>	<b>\$756.50</b>
<b>CIGNA-HEALTHSPRING PREFERRED with RX</b>				
321	30	\$3,306.70	0	\$0.00
322	9	\$1,032.50	0	\$0.00
324	14	\$2,969.70	0	\$0.00
327	2	\$238.90	0	\$0.00
329	2	\$440.70	0	\$0.00
<b>Plan Total:</b>	<b>57</b>	<b>\$7,988.50</b>	<b>0</b>	<b>\$0.00</b>
<b>KAISER SR. ADVANTAGE</b>				
403	10,099	\$1,117,035.20	7	\$206.50
413	1,660	\$191,044.60	0	\$0.00
418	5,128	\$1,132,735.10	4	\$217.30
419	274	\$30,842.80	0	\$0.00
426	205	\$22,599.20	0	\$0.00
427	159	\$17,291.50	0	\$0.00
445	2	\$210.90	0	\$0.00
451	32	\$3,520.30	0	\$0.00
455	1	\$134.00	0	\$0.00
457	12	\$2,555.70	0	\$0.00
458	1	\$134.00	0	\$0.00
462	52	\$5,441.10	0	\$0.00
465	10	\$1,062.30	0	\$0.00
466	27	\$5,837.30	0	\$0.00
472	31	\$3,318.30	0	\$0.00
476	5	\$599.60	0	\$0.00
478	12	\$2,616.30	0	\$0.00
482	84	\$9,143.00	0	\$0.00
486	10	\$1,153.00	0	\$0.00
488	42	\$9,409.20	0	\$0.00
491	1	\$104.90	0	\$0.00
492	1	\$104.90	0	\$0.00
494	1	\$226.70	0	\$0.00
<b>Plan Total:</b>	<b>17,849</b>	<b>\$2,557,119.90</b>	<b>11</b>	<b>\$423.80</b>

**Medicare Part B Reimbursement and Penalty Report**

**PAY PERIOD 9/30/2017**

<b>Deduction Code</b>	<b>No. of Members</b>	<b>Reimbursement Amount</b>	<b>No. of Penalties</b>	<b>Penalty Amount</b>
<b>SCAN</b>				
611	300	\$33,152.40	0	\$0.00
613	103	\$22,639.70	0	\$0.00
<b>Plan Total:</b>	<b>403</b>	<b>\$55,792.10</b>	<b>0</b>	<b>\$0.00</b>
<b>UNITED HEALTHCARE GROUP MEDICARE ADV. HMO</b>				
701	1,581	\$175,479.80	1	\$36.50
702	332	\$39,371.80	0	\$0.00
703	883	\$197,693.90	1	\$0.00
704	69	\$8,198.80	0	\$0.00
705	27	\$6,228.60	0	\$0.00
<b>Plan Total:</b>	<b>2,892</b>	<b>\$426,972.90</b>	<b>2</b>	<b>\$36.50</b>
<b>Grand Total:</b>	<b>32,628</b>	<b>\$4,730,180.60</b>	<b>28</b>	<b>\$1,216.80</b>

**Medicare Part B Reimbursement and Penalty Report**

**PAY PERIOD 9/30/2017**

<b>Deduction Code</b>	<b>No. of Members</b>	<b>Reimbursement Amount</b>	<b>No. of Penalties</b>	<b>Penalty Amount</b>
<b>ANTHEM BC III</b>				
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240	6,442	\$710,444.40	8	\$246.50
241	155	\$16,783.00	0	\$0.00
242	852	\$97,676.70	0	\$0.00
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244	21	\$2,326.30	0	\$0.00
245	48	\$5,424.80	0	\$0.00
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247	103	\$11,639.10	0	\$0.00
248	11	\$2,406.50	1	\$36.50
249	44	\$10,132.20	0	\$0.00
250	14	\$3,110.80	0	\$0.00
<b>Plan Total:</b>	<b>11,427</b>	<b>\$1,682,307.20</b>	<b>15</b>	<b>\$756.50</b>
<b>CIGNA-HEALTHSPRING PREFERRED with RX</b>				
321	30	\$3,306.70	0	\$0.00
322	9	\$1,032.50	0	\$0.00
324	14	\$2,969.70	0	\$0.00
327	2	\$238.90	0	\$0.00
329	2	\$440.70	0	\$0.00
<b>Plan Total:</b>	<b>57</b>	<b>\$7,988.50</b>	<b>0</b>	<b>\$0.00</b>
<b>KAISER SR. ADVANTAGE</b>				
403	10,099	\$1,117,035.20	7	\$206.50
413	1,660	\$191,044.60	0	\$0.00
418	5,128	\$1,132,735.10	4	\$217.30
419	274	\$30,842.80	0	\$0.00
426	205	\$22,599.20	0	\$0.00
427	159	\$17,291.50	0	\$0.00
445	2	\$210.90	0	\$0.00
451	32	\$3,520.30	0	\$0.00
455	1	\$134.00	0	\$0.00
457	12	\$2,555.70	0	\$0.00
458	1	\$134.00	0	\$0.00
462	52	\$5,441.10	0	\$0.00
465	10	\$1,062.30	0	\$0.00
466	27	\$5,837.30	0	\$0.00
472	31	\$3,318.30	0	\$0.00
476	5	\$599.60	0	\$0.00
478	12	\$2,616.30	0	\$0.00
482	84	\$9,143.00	0	\$0.00
486	10	\$1,153.00	0	\$0.00
488	42	\$9,409.20	0	\$0.00
491	1	\$104.90	0	\$0.00
492	1	\$104.90	0	\$0.00
494	1	\$226.70	0	\$0.00
<b>Plan Total:</b>	<b>17,849</b>	<b>\$2,557,119.90</b>	<b>11</b>	<b>\$423.80</b>

**Medicare Part B Reimbursement and Penalty Report**

**PAY PERIOD 9/30/2017**

<b>Deduction Code</b>	<b>No. of Members</b>	<b>Reimbursement Amount</b>	<b>No. of Penalties</b>	<b>Penalty Amount</b>
<b>SCAN</b>				
611	300	\$33,152.40	0	\$0.00
613	103	\$22,639.70	0	\$0.00
<b>Plan Total:</b>	<b>403</b>	<b>\$55,792.10</b>	<b>0</b>	<b>\$0.00</b>
<b>UNITED HEALTHCARE GROUP MEDICARE ADV. HMO</b>				
701	1,581	\$175,479.80	1	\$36.50
702	332	\$39,371.80	0	\$0.00
703	883	\$197,693.90	1	\$0.00
704	69	\$8,198.80	0	\$0.00
705	27	\$6,228.60	0	\$0.00
<b>Plan Total:</b>	<b>2,892</b>	<b>\$426,972.90</b>	<b>2</b>	<b>\$36.50</b>
<b>LOCAL 1014</b>				
804	169	\$23,658.20	0	\$0.00
805	174	\$24,166.30	0	\$0.00
806	567	\$139,506.46	0	\$0.00
807	36	\$5,648.70	0	\$0.00
808	10	\$2,547.80	0	\$0.00
812	222	\$25,752.30	0	\$0.00
<b>Plan Total:</b>	<b>1,178</b>	<b>\$221,279.76</b>	<b>0</b>	<b>\$0.00</b>
<b>Grand Total:</b>	<b>33,806</b>	<b>\$4,951,460.36</b>	<b>28</b>	<b>\$1,216.80</b>

## Medical and Dental Vision Insurance Premiums October 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Medical Plan</b>							
<b>Anthem Blue Cross Prudent Buyer Plan</b>							
201	683	\$592,058.55	\$96,046.60	\$493,411.40	\$589,458.00	(\$5,515.12)	\$583,942.88
202	382	\$651,012.04	\$64,658.18	\$586,353.86	\$651,012.04	(\$1,704.22)	\$649,307.82
203	98	\$188,466.74	\$44,385.75	\$140,234.73	\$184,620.48	\$0.00	\$184,620.48
204	34	\$37,867.16	\$15,436.47	\$22,430.69	\$37,867.16	\$0.00	\$37,867.16
<b>SUBTOTAL</b>	<b>1,197</b>	<b>\$1,469,404.49</b>	<b>\$220,527.00</b>	<b>\$1,242,430.68</b>	<b>\$1,462,957.68</b>	<b>(\$7,219.34)</b>	<b>\$1,455,738.34</b>
<b>Anthem Blue Cross I</b>							
211	863	\$944,881.44	\$61,220.23	\$890,201.40	\$951,421.63	(\$12,014.59)	\$939,407.04
212	307	\$607,508.44	\$33,186.71	\$562,539.73	\$595,726.44	(\$3,892.28)	\$591,834.16
213	51	\$118,641.81	\$16,842.44	\$101,799.37	\$118,641.81	\$0.00	\$118,641.81
214	19	\$27,512.38	\$4,807.43	\$22,704.95	\$27,512.38	\$0.00	\$27,512.38
215	4	\$1,456.16	\$211.14	\$1,245.02	\$1,456.16	\$0.00	\$1,456.16
<b>SUBTOTAL</b>	<b>1,244</b>	<b>\$1,700,000.23</b>	<b>\$116,267.95</b>	<b>\$1,578,490.47</b>	<b>\$1,694,758.42</b>	<b>(\$15,906.87)</b>	<b>\$1,678,851.55</b>
<b>Anthem Blue Cross II</b>							
221	2,112	\$2,314,576.32	\$144,257.31	\$2,175,677.05	\$2,319,934.36	\$29.09	\$2,319,963.45
222	1,880	\$3,716,058.12	\$98,945.41	\$3,560,227.72	\$3,659,173.13	\$2,025.01	\$3,661,198.14
223	603	\$1,402,764.93	\$54,757.18	\$1,336,376.20	\$1,391,133.38	\$2,326.31	\$1,393,459.69
224	142	\$205,618.84	\$17,347.27	\$193,986.57	\$211,333.84	\$0.00	\$211,333.84
225	3	\$1,092.12	\$182.02	\$2,356.73	\$2,538.75	\$0.00	\$2,538.75
<b>SUBTOTAL</b>	<b>4,740</b>	<b>\$7,640,110.33</b>	<b>\$315,489.19</b>	<b>\$7,268,624.27</b>	<b>\$7,584,113.46</b>	<b>\$4,380.41</b>	<b>\$7,588,493.87</b>

## Medical and Dental Vision Insurance Premiums October 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Anthem Blue Cross III</b>							
240	6,464	\$2,866,701.10	\$444,900.18	\$2,423,994.37	\$2,868,894.55	(\$9,275.34)	\$2,859,619.21
241	154	\$219,042.90	\$24,419.74	\$193,209.98	\$217,629.72	\$0.00	\$217,629.72
242	856	\$1,212,508.44	\$83,151.55	\$1,125,004.52	\$1,208,156.07	\$0.00	\$1,208,156.07
243	3,724	\$3,288,630.15	\$379,562.84	\$2,870,082.93	\$3,249,645.77	(\$4,402.45)	\$3,245,243.32
244	21	\$16,638.72	\$3,771.45	\$12,867.27	\$16,638.72	\$0.00	\$16,638.72
245	49	\$38,823.68	\$5,229.30	\$32,802.06	\$38,031.36	\$0.00	\$38,031.36
246	19	\$33,478.95	\$2,396.39	\$31,082.56	\$33,478.95	\$0.00	\$33,478.95
247	103	\$183,253.20	\$9,479.84	\$165,057.01	\$174,536.85	\$0.00	\$174,536.85
248	11	\$13,522.08	\$1,966.85	\$11,555.23	\$13,522.08	\$0.00	\$13,522.08
249	45	\$55,317.60	\$4,327.06	\$49,761.26	\$54,088.32	\$0.00	\$54,088.32
250	14	\$19,283.88	\$991.74	\$18,292.14	\$19,283.88	\$0.00	\$19,283.88
<b>SUBTOTAL</b>	<b>11,460</b>	<b>\$7,947,200.70</b>	<b>\$960,196.94</b>	<b>\$6,933,709.33</b>	<b>\$7,893,906.27</b>	<b>(\$13,677.79)</b>	<b>\$7,880,228.48</b>
<b>CIGNA Network Model Plan</b>							
301	350	\$498,388.41	\$132,311.30	\$363,237.29	\$495,548.59	(\$1,419.91)	\$494,128.68
302	148	\$379,226.32	\$92,476.24	\$284,187.74	\$376,663.98	\$2,404.28	\$379,068.26
303	16	\$48,408.64	\$13,185.63	\$29,171.93	\$42,357.56	\$0.00	\$42,357.56
304	25	\$47,092.25	\$18,131.85	\$28,960.40	\$47,092.25	(\$1,883.69)	\$45,208.56
<b>SUBTOTAL</b>	<b>539</b>	<b>\$973,115.62</b>	<b>\$256,105.02</b>	<b>\$705,557.36</b>	<b>\$961,662.38</b>	<b>(\$899.32)</b>	<b>\$960,763.06</b>



## Medical and Dental Vision Insurance Premiums October 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>CIGNA Healthspring Pref w/ Rx - Phoenix, AZ</b>							
321	30	\$11,534.70	\$1,776.35	\$9,758.35	\$11,534.70	\$0.00	\$11,534.70
322	10	\$15,262.40	\$488.40	\$13,247.76	\$13,736.16	\$0.00	\$13,736.16
324	14	\$10,653.72	\$1,293.67	\$9,360.05	\$10,653.72	\$0.00	\$10,653.72
327	2	\$3,976.10	\$397.61	\$3,578.49	\$3,976.10	\$0.00	\$3,976.10
329	2	\$2,595.54	\$0.00	\$2,595.54	\$2,595.54	\$0.00	\$2,595.54
<b>SUBTOTAL</b>	<b>58</b>	<b>\$44,022.46</b>	<b>\$3,956.03</b>	<b>\$38,540.19</b>	<b>\$42,496.22</b>	<b>\$0.00</b>	<b>\$42,496.22</b>

## Medical and Dental Vision Insurance Premiums October 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Kaiser/Senior Advantage</b>							
401	1,583	\$1,488,956.44	\$137,187.82	\$1,348,930.05	\$1,486,117.87	\$937.63	\$1,487,055.50
403	10,176	\$2,614,444.56	\$275,584.56	\$2,345,226.77	\$2,620,811.33	(\$4,839.26)	\$2,615,972.07
404	528	\$548,894.50	\$15,792.18	\$547,307.84	\$563,100.02	(\$2,026.37)	\$561,073.65
405	922	\$905,241.48	\$19,771.94	\$872,974.51	\$892,746.45	\$980.76	\$893,727.21
406	50	\$89,000.10	\$31,690.54	\$46,838.96	\$78,529.50	\$0.00	\$78,529.50
411	1,799	\$3,370,404.30	\$174,567.41	\$3,152,976.63	\$3,327,544.04	\$1,918.62	\$3,329,462.66
413	1,664	\$1,988,155.00	\$91,412.29	\$1,871,819.56	\$1,963,231.85	(\$1,186.25)	\$1,962,045.60
414	139	\$275,139.20	\$5,140.31	\$285,156.25	\$290,296.56	\$0.00	\$290,296.56
418	5,123	\$2,592,891.68	\$206,806.93	\$2,374,043.11	\$2,580,850.04	(\$1,992.62)	\$2,578,857.42
419	275	\$353,174.25	\$8,219.26	\$367,541.30	\$375,760.56	(\$2,568.54)	\$373,192.02
420	128	\$266,165.70	\$1,485.57	\$272,484.03	\$273,969.60	\$0.00	\$273,969.60
421	9	\$8,438.67	\$1,644.07	\$10,519.44	\$12,163.51	\$0.00	\$12,163.51
422	226	\$433,658.53	\$1,681.16	\$420,947.27	\$422,628.43	\$0.00	\$422,628.43
423	21	\$58,844.06	\$8,332.94	\$39,888.48	\$48,221.42	\$0.00	\$48,221.42
426	205	\$253,252.28	\$3,368.53	\$253,529.52	\$256,898.05	(\$1,229.38)	\$255,668.67
427	160	\$324,976.36	\$3,429.22	\$268,686.00	\$272,115.22	\$0.00	\$272,115.22
428	56	\$112,470.96	\$1,124.70	\$117,371.49	\$118,496.19	\$0.00	\$118,496.19
429	13	\$36,045.75	\$3,738.92	\$18,920.73	\$22,659.65	\$0.00	\$22,659.65
430	130	\$253,957.60	\$3,477.25	\$250,480.35	\$253,957.60	(\$1,953.52)	\$252,004.08
431	9	\$27,178.60	\$2,349.30	\$13,957.86	\$16,307.16	\$0.00	\$16,307.16
432	5	\$20,893.20	\$4,623.56	\$9,305.24	\$13,928.80	\$0.00	\$13,928.80
<b>SUBTOTAL</b>	<b>23,221</b>	<b>\$16,022,183.22</b>	<b>\$1,001,428.46</b>	<b>\$14,888,905.39</b>	<b>\$15,890,333.85</b>	<b>(\$11,958.93)</b>	<b>\$15,878,374.92</b>

## Medical and Dental Vision Insurance Premiums October 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Kaiser - Colorado</b>							
450	6	\$6,029.22	\$1,406.82	\$4,622.40	\$6,029.22	\$0.00	\$6,029.22
451	32	\$11,731.84	\$1,305.15	\$10,060.07	\$11,365.22	\$0.00	\$11,365.22
453	1	\$2,221.15	\$248.72	\$1,972.43	\$2,221.15	\$0.00	\$2,221.15
455	1	\$1,363.49	\$0.00	\$1,363.49	\$1,363.49	\$0.00	\$1,363.49
457	12	\$8,702.88	\$1,392.46	\$7,310.42	\$8,702.88	\$0.00	\$8,702.88
458	1	\$2,302.38	\$0.00	\$2,302.38	\$2,302.38	\$0.00	\$2,302.38
<b>SUBTOTAL</b>	<b>53</b>	<b>\$32,350.96</b>	<b>\$4,353.15</b>	<b>\$27,631.19</b>	<b>\$31,984.34</b>	<b>\$0.00</b>	<b>\$31,984.34</b>
<b>Kaiser - Georgia</b>							
441	3	\$3,493.23	\$278.12	\$4,379.52	\$4,657.64	\$0.00	\$4,657.64
442	4	\$4,657.64	\$278.12	\$4,379.52	\$4,657.64	\$0.00	\$4,657.64
445	2	\$3,129.34	\$0.00	\$3,129.34	\$3,129.34	\$0.00	\$3,129.34
461	13	\$15,137.33	\$2,104.42	\$11,868.50	\$13,972.92	\$0.00	\$13,972.92
462	53	\$22,046.04	\$3,029.27	\$18,200.25	\$21,229.52	\$0.00	\$21,229.52
463	3	\$6,962.49	\$2,031.41	\$4,931.08	\$6,962.49	\$0.00	\$6,962.49
465	10	\$15,646.70	\$938.80	\$14,707.90	\$15,646.70	\$0.00	\$15,646.70
466	27	\$21,830.04	\$1,552.36	\$20,277.68	\$21,830.04	\$0.00	\$21,830.04
<b>SUBTOTAL</b>	<b>115</b>	<b>\$92,902.81</b>	<b>\$10,212.50</b>	<b>\$81,873.79</b>	<b>\$92,086.29</b>	<b>\$0.00</b>	<b>\$92,086.29</b>

## Medical and Dental Vision Insurance Premiums October 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Kaiser - Hawaii</b>							
471	7	\$7,022.40	\$1,123.58	\$5,898.82	\$7,022.40	\$0.00	\$7,022.40
472	31	\$13,314.81	\$2,027.26	\$11,287.55	\$13,314.81	\$0.00	\$13,314.81
473	1	\$1,547.10	\$452.22	\$1,094.88	\$1,547.10	\$0.00	\$1,547.10
474	3	\$5,995.20	\$77.91	\$5,917.29	\$5,995.20	\$0.00	\$5,995.20
476	5	\$7,123.55	\$3,362.31	\$3,761.24	\$7,123.55	\$0.00	\$7,123.55
478	12	\$10,200.24	\$374.01	\$9,826.23	\$10,200.24	\$0.00	\$10,200.24
<b>SUBTOTAL</b>	<b>59</b>	<b>\$45,203.30</b>	<b>\$7,417.29</b>	<b>\$37,786.01</b>	<b>\$45,203.30</b>	<b>\$0.00</b>	<b>\$45,203.30</b>
<b>Kaiser - Oregon</b>							
481	8	\$8,701.04	\$1,892.47	\$6,808.57	\$8,701.04	\$0.00	\$8,701.04
482	84	\$31,689.00	\$5,040.04	\$26,648.96	\$31,689.00	(\$377.25)	\$31,311.75
484	2	\$4,334.54	\$547.47	\$3,787.07	\$4,334.54	\$0.00	\$4,334.54
486	10	\$14,568.80	\$2,156.18	\$12,412.62	\$14,568.80	\$0.00	\$14,568.80
488	42	\$31,353.00	\$3,762.36	\$27,590.64	\$31,353.00	\$0.00	\$31,353.00
489	1	\$1,010.66	\$0.00	\$1,010.66	\$1,010.66	\$0.00	\$1,010.66
491	1	\$1,379.91	\$0.00	\$1,379.91	\$1,379.91	\$0.00	\$1,379.91
492	1	\$1,544.92	\$308.98	\$1,235.94	\$1,544.92	\$0.00	\$1,544.92
494	1	\$1,826.13	\$0.00	\$1,826.13	\$1,826.13	\$0.00	\$1,826.13
495	2	\$4,686.68	\$741.82	\$3,944.86	\$4,686.68	\$0.00	\$4,686.68
<b>SUBTOTAL</b>	<b>152</b>	<b>\$101,094.68</b>	<b>\$14,449.32</b>	<b>\$86,645.36</b>	<b>\$101,094.68</b>	<b>(\$377.25)</b>	<b>\$100,717.43</b>
<b>SCAN Health Plan</b>							
611	300	\$89,698.00	\$18,523.68	\$70,578.32	\$89,102.00	(\$596.00)	\$88,506.00
613	103	\$60,564.00	\$9,960.72	\$51,191.28	\$61,152.00	\$0.00	\$61,152.00
<b>SUBTOTAL</b>	<b>403</b>	<b>\$150,262.00</b>	<b>\$28,484.40</b>	<b>\$121,769.60</b>	<b>\$150,254.00</b>	<b>(\$596.00)</b>	<b>\$149,658.00</b>

## Medical and Dental Vision Insurance Premiums October 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>UHC Medicare Adv.</b>							
701	1,580	\$537,086.88	\$66,715.45	\$467,997.94	\$534,713.39	(\$332.58)	\$534,380.81
702	336	\$471,633.12	\$30,824.50	\$438,001.28	\$468,825.78	\$72.15	\$468,897.93
703	883	\$592,403.76	\$61,880.73	\$529,852.89	\$591,733.62	(\$1,340.28)	\$590,393.34
704	70	\$111,095.60	\$4,570.79	\$104,937.73	\$109,508.52	\$0.00	\$109,508.52
705	27	\$23,045.85	\$785.27	\$22,260.58	\$23,045.85	\$0.00	\$23,045.85
<b>SUBTOTAL</b>	<b>2,896</b>	<b>\$1,735,265.21</b>	<b>\$164,776.74</b>	<b>\$1,563,050.42</b>	<b>\$1,727,827.16</b>	<b>(\$1,600.71)</b>	<b>\$1,726,226.45</b>
<b>United Healthcare</b>							
707	438	\$471,944.00	\$46,127.05	\$417,236.49	\$463,363.54	\$0.00	\$463,363.54
708	361	\$708,596.90	\$31,632.39	\$671,092.16	\$702,724.55	\$0.00	\$702,724.55
709	293	\$679,935.80	\$30,492.66	\$651,763.74	\$682,256.40	\$2,320.60	\$684,577.00
<b>SUBTOTAL</b>	<b>1,092</b>	<b>\$1,860,476.70</b>	<b>\$108,252.10</b>	<b>\$1,740,092.39</b>	<b>\$1,848,344.49</b>	<b>\$2,320.60</b>	<b>\$1,850,665.09</b>

## Medical and Dental Vision Insurance Premiums October 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Local 1014 Firefighters</b>							
801	52	\$56,063.80	\$1,725.03	\$54,338.77	\$56,063.80	\$0.00	\$56,063.80
802	271	\$526,821.29	\$12,985.88	\$513,835.41	\$526,821.29	\$0.00	\$526,821.29
803	251	\$575,570.61	\$20,683.80	\$559,582.54	\$580,266.34	\$4,586.22	\$584,852.56
804	170	\$183,285.50	\$8,991.74	\$177,563.92	\$186,555.66	(\$24,650.84)	\$161,904.82
805	174	\$338,254.26	\$11,702.82	\$326,551.44	\$338,254.26	(\$26,030.68)	\$312,223.58
806	568	\$1,104,186.32	\$33,047.84	\$1,061,364.26	\$1,094,412.10	(\$139,506.46)	\$954,905.64
807	37	\$84,845.07	\$1,880.35	\$82,964.72	\$84,845.07	(\$5,648.70)	\$79,196.37
808	10	\$22,931.10	\$183.45	\$22,747.65	\$22,931.10	(\$2,547.80)	\$20,383.30
809	21	\$22,641.15	\$3,126.62	\$19,514.53	\$22,641.15	\$0.00	\$22,641.15
810	7	\$13,607.93	\$1,594.07	\$12,013.86	\$13,607.93	\$0.00	\$13,607.93
811	5	\$11,465.55	\$825.52	\$10,640.03	\$11,465.55	\$0.00	\$11,465.55
812	223	\$240,427.45	\$20,506.35	\$222,077.40	\$242,583.75	(\$24,674.15)	\$217,909.60
<b>SUBTOTAL</b>	<b>1,789</b>	<b>\$3,180,100.03</b>	<b>\$117,253.47</b>	<b>\$3,063,194.53</b>	<b>\$3,180,448.00</b>	<b>(\$218,472.41)</b>	<b>\$2,961,975.59</b>
<b>Medical Plan Total</b>	<b>49,018</b>	<b>\$42,993,692.74</b>	<b>\$3,329,169.56</b>	<b>\$39,378,300.98</b>	<b>\$42,707,470.54</b>	<b>(\$264,007.61)</b>	<b>\$42,443,462.93</b>

## Medical and Dental Vision Insurance Premiums October 2017

Carrier Codes	Member Count	Premium Amount	Member Amount	County Subsidy Amount	Total	Adjustments	Total Paid
<b>Dental/Vision Plan</b>							
<b>CIGNA Indemnity Dental/Vision</b>							
501	23,214	\$1,210,998.72	\$141,082.79	\$1,075,806.15	\$1,216,888.94	(\$2,651.24)	\$1,214,237.70
502	21,373	\$2,324,148.60	\$182,968.81	\$2,127,251.59	\$2,310,220.40	(\$1,783.29)	\$2,308,437.11
503	13	\$833.95	\$206.24	\$1,138.28	\$1,344.52	\$0.00	\$1,344.52
<b>SUBTOTAL</b>	<b>44,600</b>	<b>\$3,535,981.27</b>	<b>\$324,257.84</b>	<b>\$3,204,196.02</b>	<b>\$3,528,453.86</b>	<b>(\$4,434.53)</b>	<b>\$3,524,019.33</b>
<b>CIGNA Dental HMO/Vision</b>							
901	3,226	\$149,147.51	\$19,323.94	\$130,193.07	\$149,517.01	(\$600.39)	\$148,916.62
902	2,294	\$217,301.48	\$19,833.57	\$196,514.37	\$216,347.94	\$94.52	\$216,442.46
903	4	\$187.12	\$5.61	\$181.51	\$187.12	\$0.00	\$187.12
<b>SUBTOTAL</b>	<b>5,524</b>	<b>\$366,636.11</b>	<b>\$39,163.12</b>	<b>\$326,888.95</b>	<b>\$366,052.07</b>	<b>(\$505.87)</b>	<b>\$365,546.20</b>
<b>Dental/Vision Plan Total</b>	<b>50,124</b>	<b>\$3,902,617.38</b>	<b>\$363,420.96</b>	<b>\$3,531,084.97</b>	<b>\$3,894,505.93</b>	<b>(\$4,940.40)</b>	<b>\$3,889,565.53</b>
<b>GRAND TOTALS</b>	<b>99,142</b>	<b>\$46,896,310.12</b>	<b>\$3,692,590.52</b>	<b>\$42,909,385.95</b>	<b>\$46,601,976.47</b>	<b>(\$268,948.01)</b>	<b>\$46,333,028.46</b>

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
<b><u>Anthem Blue Cross Prudent Buyer Plan</u></b>		
\$630.26	201	Retiree Only
\$1,239.88	202	Retiree and Spouse/Domestic Partner
\$1,399.26	203	Retiree, Spouse/Domestic Partner and Children
\$810.01	204	Retiree and Children
\$172.06	205	Survivor Children Only Rates
<b><u>Anthem Blue Cross Plan I</u></b>		
<b>\$904.25</b>	211	Retiree Only
<b>\$1,630.31</b>	212	Retiree and Spouse/Domestic Partner
<b>\$1,923.10</b>	213	Retiree, Spouse/Domestic Partner and Children
<b>\$1,196.44</b>	214	Retiree and Children
\$299.58	215	Survivor Children Only Rates
<b><u>Anthem Blue Cross Plan II</u></b>		
<b>\$904.25</b>	221	Retiree Only
<b>\$1,630.31</b>	222	Retiree and Spouse/Domestic Partner
<b>\$1,923.10</b>	223	Retiree, Spouse/Domestic Partner and Children
<b>\$1,196.44</b>	224	Retiree and Children
\$299.58	225	Survivor Children Only Rates
<b><u>Anthem Blue Cross Plan III</u></b>		
\$365.20	240	Retiree Only with Medicare
\$1,167.61	241	Retiree and Spouse/Domestic Partner - One with Medicare (Non-Medicare has Anthem Blue Cross I)
\$1,167.61	242	Retiree and Spouse/Domestic Partner - One with Medicare (Non-Medicare has Anthem Blue Cross II)
\$726.87	243	Retiree and Spouse/Domestic Partner - Both with Medicare
\$653.93	244	Retiree and Children (Retiree has Medicare; Children have Anthem Blue Cross I)
\$653.93	245	Retiree and Children (Retiree has Medicare; Children have Anthem Blue Cross II)
\$1,456.25	246	Retiree, Spouse/Domestic Partner and Children - One with Medicare (Non-Medicare has Anthem Blue Cross I)
\$1,456.25	247	Retiree, Spouse/Domestic Partner and Children - One with Medicare (Non-Medicare has Anthem Blue Cross II)
\$1,015.45	248	Retiree, Spouse/Domestic Partner and Children - Two with Medicare (Children have Anthem Blue Cross I)
\$1,015.45	249	Retiree, Spouse/Domestic Partner and Children - Two with Medicare (Children have Anthem Blue Cross II)
\$1,138.02	250	Member, Spouse/Domestic Partner, Child (3 with Medicare)

\*Benchmark premiums are bolded.



CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
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**CIGNA Network Model Plan**

\$1,143.49	301	Retiree Only
\$2,064.71	302	Retiree and Spouse/Domestic Partner
\$2,438.35	303	Retiree, Spouse/Domestic Partner and Children
\$1,517.57	304	Retiree and Children
\$378.87	305	Survivor Children Only Rates

**CIGNA Medicare Select Plus Rx (Available in the Phoenix, AZ area only)**

\$328.00	321	Retiree Only with Medicare
\$1,249.22	322	Retiree and Spouse/Domestic Partner/Domestic Partner - One with Medicare
\$651.00	324	Retiree and Spouse/Domestic Partner -Both with Medicare
\$702.09	325	Retiree and Children
\$1,622.87	327	Retiree, Spouse/Domestic Partner and Children - One with Medicare
\$1,025.09	329	Retiree, Spouse/Domestic Partner and Children - Two with Medicare

**Kaiser**

\$774.10	401	Retiree Only ("Basic")
N/A	402	Retiree Only ("Supplement")
\$235.64	403	Retiree Only ("Senior Advantage")
\$894.95	404	Retiree Only ("Excess I")
\$795.39	405	Retiree Only - ("Excess II")
\$1,408.39	406	Retiree Only ("Excess III")
\$1,543.20	411	Retiree and Family (All family members are "Basic")
N/A	412	Retiree and Family (One family member is "Supplement"; others are "Basic")
\$1,004.74	413	Retiree and Family (One family member is "Senior Advantage"; others are "Basic")
\$1,664.05	414	Retiree and Family (One family member is "Excess I"; others are "Basic")
N/A	415	Retiree and Family (Two or more family members are "Supplement")
N/A	416	Retiree and Family (One family member is "Senior Advantage"; others are "Supplement")
N/A	417	Retiree and Family (One family member is "Excess I"; others are "Supplement")
\$466.28	418	Retiree and Family (Two or more family members are "Senior Advantage")
\$1,125.59	419	Retiree and Family (One family member is "Excess I"; others are "Senior Advantage")
\$1,784.90	420	Retiree and Family (Two or more family members are "Excess I")
N/A	421	Survivor Children Only Rates
\$1,564.49	422	Retiree and Family (One family member is "Excess II"; others are "Basic")
\$2,177.49	423	Retiree and Family (One family member is "Excess III"; others are "Basic")

\*Benchmark premiums are bolded.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
<b><u>Kaiser (continued)</u></b>		
N/A	424	Retiree and Family (One family member is "Supplement"; others are "Excess II")
N/A	425	Retiree and Family (One family member is "Supplement"; others are "Excess III")
\$1,026.03	426	Retiree and Family (One family member is "Senior Advantage"; others are "Excess II")
\$1,639.03	427	Retiree and Family (One family member is "Senior Advantage"; others are "Excess III")
\$1,685.34	428	Retiree and Family (One family member is "Excess I"; others are "Excess II")
\$2,298.34	429	Retiree and Family One family member is "Excess I"; others are "Excess III")
\$1,585.78	430	Retiree and Family (Two or more family members are "Excess II")
\$2,198.78	431	Retiree and Family (One family member is "Excess II"; others are "Excess III")
\$2,811.78	432	Retiree and Family (Two or more family members are "Excess III")
<b><u>Kaiser Colorado</u></b>		
\$793.06	450	Retiree Only ("Basic" under age 65)
\$327.27	451	Retiree Only ("Senior Advantage")
\$1,754.57	453	Retiree and Family (Two family members are "Basic")
\$2,369.25	454	Retiree and Family (Three or more family members are "Basic")
\$1,115.33	455	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic")
\$649.55	457	Retiree and Family (Two family members are "Senior Advantage")
\$1,857.56	458	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$1,437.60	459	Retiree and Family (Two family members are "Senior Advantage"; one or more are "Basic")
<b><u>Kaiser Georgia</u></b>		
\$847.24	440	Retiree Only ("Basic" over age 65 with Medicare Part B only)
\$847.24	441	Retiree Only ("Basic over age 65 with Medicare Part A only)
\$847.24	442	Retiree Only ("Basic over age 65 without Medicare Part A or Medicare Part B)
\$361.11	443	Retiree Only ("Basic" over age 65 - Medicare eligible who is classified as having renal failure)
\$1,203.35	444	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part B only)
\$1,203.35	445	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 with Medicare Part A only)
\$1,203.35	446	Retiree and Family (One family member is "Senior Advantage"; one family member is "Basic" over age 65 without Medicare Part A and B)
\$847.24	461	Retiree Only ("Basic" under age 65)
\$361.11	462	Retiree Only ("Senior Advantage")

\*Benchmark premiums are bolded.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
<b><u>Kaiser Georgia (continued)</u></b>		
\$1,689.48	463	Retiree and Family (Two family members are "Basic")
\$2,531.72	464	Retiree and Family (Three or more family members are "Basic")
\$1,203.35	465	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
\$717.22	466	Retiree and Family (Two family members are "Senior Advantage")
\$2,045.59	467	Retiree and Family ( One family member is "Senior Advantage"; two or more are "Basic")
\$1,559.46	468	Retiree and Family (Two family members are "Senior Advantage"; one is "Basic")
\$1,915.57	469	Retiree and Family (Three or more family members are "Senior Advantage"; one is "Basic")
\$2,045.59	470	Retiree and Family (Three or more family members are "Basic"; one is "Senior Advantage")
<b><u>Kaiser Hawaii</u></b>		
\$795.16	471	Retiree Only ("Basic" under age 65)
\$346.45	472	Retiree Only ("Senior Advantage")
\$1,381.42	473	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
\$1,585.31	474	Retiree and Family (Two family members are "Basic")
\$2,375.47	475	Retiree and Family (Three or more family members are "Basic")
\$1,136.61	476	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
\$2,171.58	477	Retiree and Family (One family member is "Basic" under age 65; one is over age 65 without Medicare Part A or Medicare Part B)
\$687.90	478	Retiree and Family (Two family members are "Senior Advantage")
\$1,722.87	479	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 without Medicare Part A or Medicare Part B)
<b><u>Kaiser Oregon</u></b>		
\$806.67	481	Retiree Only ("Basic" under age 65)
\$465.92	482	Retiree Only ("Senior Advantage")
\$1,205.27	483	Retiree Only (Over age 65 without Medicare Part A or Medicare Part B)
\$1,608.34	484	Retiree and Family (Two family members are "Basic")
\$2,410.01	485	Retiree and Family (Three or more family members are "Basic")
\$1,267.59	486	Retiree and Family (One family member is "Senior Advantage"; one is "Basic")
N/A	487	Retiree Only (Medicare Cost "Supplement" program)
\$926.84	488	Retiree and Family (Two family members are "Senior Advantage")
\$1,110.84	489	Retiree Only (Over age 65 with Medicare Part A only)
\$1,205.27	490	Retiree Only (Over age 65 with Medicare Part B only)

\*Benchmark premiums are bolded.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
<b><u>Kaiser Oregon (continued)</u></b>		
\$1,571.76	491	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 with Medicare Par A only)
\$1,666.19	492	Retiree and Family (One family member is "Senior Advantage"; one is over age 65 without Medicare Part A or Medicare Part B)
\$2,069.26	493	Retiree and Family (One family member is "Senior Advantage"; two or more are "Basic")
\$1,728.51	494	Retiree and Family (Two family members are "Senior Advantage"; one is "Basic")
\$2,405.54	495	Retiree and Family (Two family members are over age 65 without Medicare Part A or Medicare Part B)
\$2,216.68	496	Retiree and Family (Two family members are over age 65 with Medicare Part A only)
\$2,216.68	497	Retiree and Family (One family member is "Basic"; one is over age 65 with Medicare Part A only)
\$2,006.94	498	Retiree and Family (One family member is "Basic"; one is over age 65 without Medicare Part A or Medicare Part B)

### **Kaiser Rate Category Definitions**

**"Basic"** - includes those who are under age 65

#### **Medicare Cost ("Supplement")**

- Includes people who have both Part A and Part B of Medicare, who were enrolled in Kaiser's Medicare supplement ("M" coverage) before July 1, 1987, and who chose to stay in that Kaiser arrangement.
- It is not open to new enrollments.
- People who have left it cannot return to it.

#### **"Senior Advantage"**

- Includes participants who are age 65 or older and who have assigned both Medicare Part A and Part B to Kaiser.

#### **"Excess I"**

- Is for participants who have Medicare Part A only.

#### **"Excess II"**

- Is for participants in the Excess Plan who either have Medicare Part B only or are not eligible for Medicare.

#### **"Excess III"**

- Is for participants in the Excess Plan who either have Medicare Parts A and B and have not assigned their Medicare benefits to Kaiser or have not provided their Medicare status to LACERA. Premium is above the Anthem Blue Cross I and II Benchmark rate and II Benchmark.

PREMIUMS*	CARRIER DEDUCTION CODES	DEDUCTION CODE DEFINITIONS
<b><u>SCAN Health Plan</u></b>		
\$304.00	611	Retiree Only with SCAN
\$603.00	613	Retiree and 1 Dependent - Both with SCAN (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child. Both Retiree and Dependent must have Medicare.)
<b><u>United Healthcare Medicare Advantage (UHCMA)</u></b>		
(For both members and dependents who are enrolled in UHCMA, or a family combination of UHCMA/UHC)		
\$293.62	701	Retiree Only with Secure Horizons
\$1,203.81	702	Retiree and 1 Dependent - One with Secure Horizons (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child)
\$582.24	703	Retiree and 1 Dependent - Both with Secure Horizons (Retiree and 1 Dependent = Retiree and Spouse/Domestic Partner OR Retiree and 1 Child)
\$1,360.59	704	Retiree and 2 or More Dependents - One with Secure Horizons (Retiree and 2 or More Dependents = Retiree, Spouse/Domestic Partner and 1 or More Children OR Retiree and 2 or More Children)
\$739.02	705	Retiree and 2 or More Dependents - Two with Secure Horizons (Retiree and 2 or More Dependents = Retiree, Spouse/Domestic Partner and 1 or More Children OR Retiree and 2 or More Children)
\$261.24	706	Survivor Children Only Rates
<b><u>United Healthcare (UHC)</u></b>		
(For members and dependents under age 65 [no Medicare])		
\$915.18	707	Retiree Only
\$1,671.68	708	Retiree and 1 Dependent
\$1,982.16	709	Retiree and 2 Or More Dependents
<b><u>Local 1014 Firefighters</u></b>		
\$914.03	801	Member Under 65
\$1,648.06	802	Member + 1 Under 65
\$1,944.04	803	Member + 2 Under 65
\$914.03	804	Member with Medicare
\$1,648.06	805	Member + 1; 1 Medicare
\$1,648.06	806	Member + 1; 2 Medicare
\$1,944.04	807	Member + 2; 1 Medicare
\$1,944.04	808	Member + 2; 2 Medicare

\*Benchmark premiums are bolded.

CARRIER DEDUCTION PREMIUMS*	CODES	DEDUCTION CODE DEFINITIONS
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**Local 1014 Firefighters (continued)**

\$914.03	809	Surviving Spouse Under 65
\$1,648.06	810	Surviving Spouse + 1; Under 65
\$1,944.04	811	Surviving Spouse + 2 Under 65
\$914.03	812	Surviving Spouse with Medicare
\$1,648.06	813	Surviving Spouse + 1; 1 Medicare
\$1,944.04	814	Spouse + 1; 1 Medicare
\$1,648.06	815	Surviving Spouse + 1; 2 Medicare

**CIGNA Indemnity - Dental/Vision**

<b>\$46.55</b>	501	Retiree Only
<b>\$99.61</b>	502	Retiree and Dependent(s)
\$57.81	503	Survivor Children Only Rates

**CIGNA HMO - Dental/Vision**

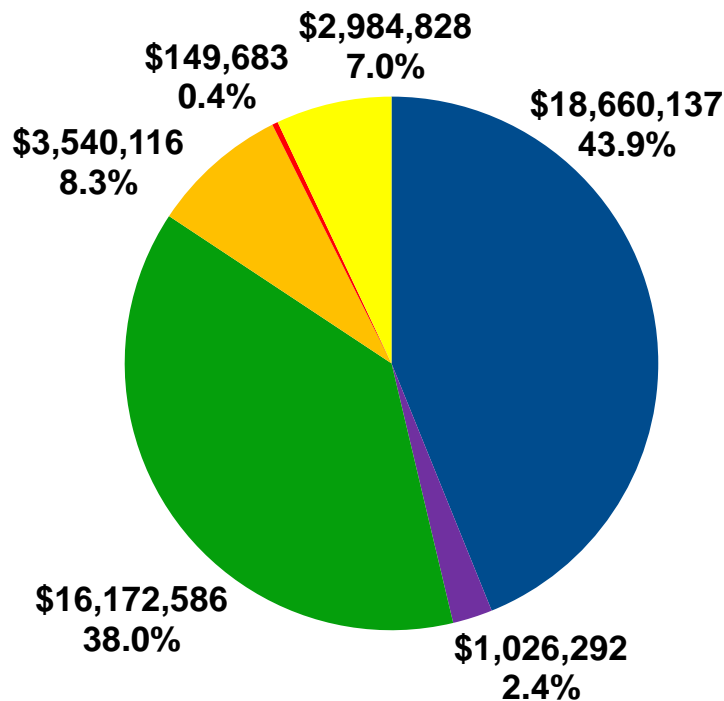
\$39.02	901	Retiree Only
\$81.07	902	Retiree and Dependent(s)
\$39.56	903	Survivor Children Only Rates

**Los Angeles County Employees Retirement Association**  
 Premium & Enrollment  
 Coverage Month August 2017

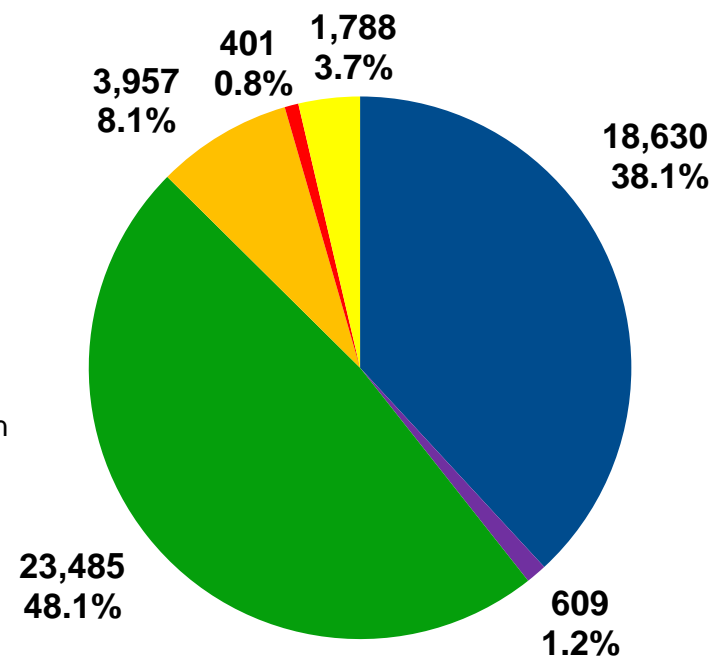
Carrier / Plan	Monthly Premium	Percent of Total	Retirees	Percent of Total
Anthem All Plans	\$18,660,137	43.9%	18,630	38.1%
Cigna Medical	\$1,026,292	2.4%	609	1.2%
Kaiser	\$16,172,586	38.0%	23,485	48.1%
UnitedHealthcare	\$3,540,116	8.3%	3,957	8.1%
SCAN Health Plan	\$149,683	0.4%	401	0.8%
Local 1014	\$2,984,828	7.0%	1,788	3.7%
<b>Combined Medical</b>	<b>\$42,533,642</b>	<b>100.0%</b>	<b>48,870</b>	<b>100.0%</b>

<b>Cigna Dental &amp; Vision (PPO and HMO)</b>	<b>\$3,873,972</b>	<b>49,954</b>
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**Monthly Premium**



**Retirees**



# Los Angeles County Employees Retirement Association

## Anthem Plans I & II

Coverage Month August 2017

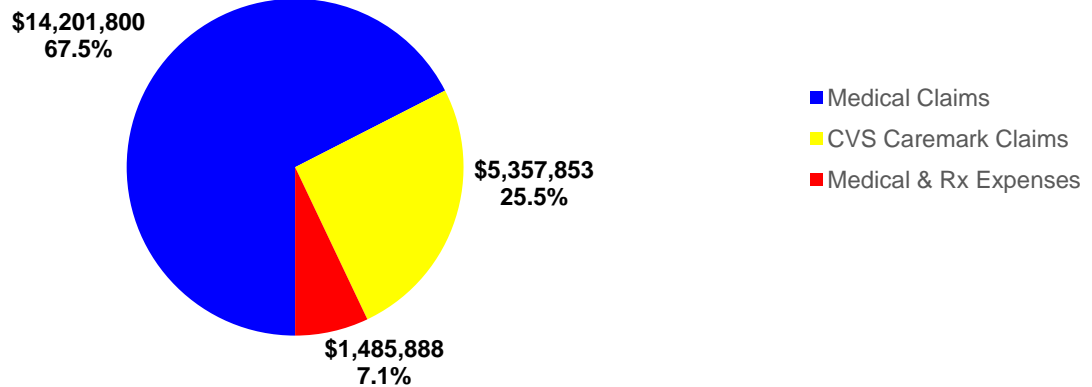
Month	Monthly Enrollment	Monthly Premium	Medical Claims	CVS Caremark Claims	Medical & Rx Claims	Claims Per Retiree Per Month	Paid Loss Ratio	Medical & Rx Expenses	Total Paid Claims & Expenses	Expense Ratio
Jul-17	6,003	\$9,296,857	\$5,371,906	\$2,613,705	\$7,985,611	\$1,330.27	85.9%	\$742,630	\$8,728,240	93.9%
Aug-17	6,007	\$9,314,660	\$8,829,894	\$2,744,147	\$11,574,041	\$1,926.76	124.3%	\$743,259	\$12,317,300	132.2%
Sep-17										
Oct-17										
Nov-17										
Dec-17										
Jan-18										
Feb-18										
Mar-18										
Apr-18										
May-18										
Jun-18										
<b>YTD Plan Year</b>	12,010	\$18,611,517	\$14,201,800	\$5,357,853	\$19,559,652	\$1,628.61	105.1%	\$1,485,888	\$21,045,540	113.1%
<b>12 Month Rollup</b>	72,259	\$109,197,438	\$79,700,647	\$29,320,806	\$109,021,453	\$1,508.76	99.8%	\$13,286,748	\$122,308,201	112.0%

Medical Claims reported by Anthem

CVS Caremark Claims reported by CVS

Expenses: Anthem Admin, Stop Loss, and Premium Taxes

Enrollment and Premium Reported by LACERA

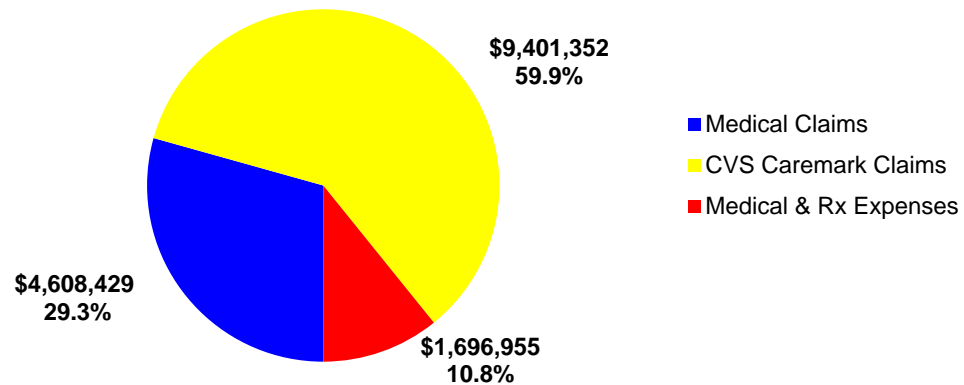




**Los Angeles County Employees Retirement Association**  
**Anthem Plan III**  
*Coverage Month August 2017*

Month	Monthly Enrollment	Monthly Premium	Medical Claims	CVS Caremark Claims	Medical & Rx Claims	Claims Per Retiree Per Month	Paid Loss Ratio	Medical & Rx Expenses	Total Paid Claims & Expenses	Expense Ratio
Jul-17	11,381	\$7,802,939	\$1,930,103	\$4,624,278	\$6,554,380	\$575.91	84.0%	\$847,547	\$7,401,927	94.9%
Aug-17	11,406	\$7,865,983	\$2,678,326	\$4,777,074	\$7,455,401	\$653.64	94.8%	\$849,408	\$8,304,809	105.6%
Sep-17										
Oct-17										
Nov-17										
Dec-17										
Jan-18										
Feb-18										
Mar-18										
Apr-18										
May-18										
Jun-18										
<b>YTD Plan Year</b>	22,787	\$15,668,923	\$4,608,429	\$9,401,352	\$14,009,781	\$614.81	89.4%	\$1,696,955	\$15,706,736	100.2%
<b>12 Month Rollup</b>	134,807	\$90,663,060	\$31,309,315	\$53,339,594	\$84,648,910	\$627.93	93.4%	\$10,219,437	\$94,868,346	104.6%

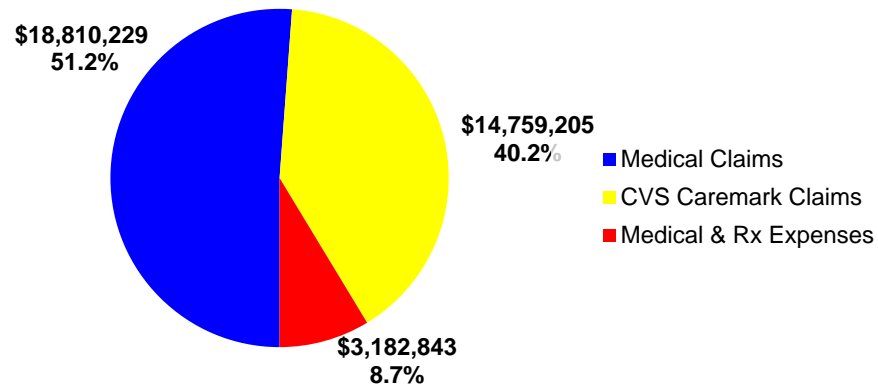
Medical Claims reported by Anthem  
 CVS Caremark Claims reported by CVS  
 Expenses: Anthem Admin, Stop Loss, and Premium Taxes  
 Enrollment and Premium Reported by LACERA



**Los Angeles County Employees Retirement Association**  
 Anthem Plans I, II, & III  
 Coverage Month August 2017

Month	Monthly Enrollment	Monthly Premium	Medical Claims	CVS Caremark Claims	Medical & Rx Claims	Claims Per Retiree Per Month	Paid Loss Ratio	Medical & Rx Expenses	Total Paid Claims & Expenses	Expense Ratio
Jul-17	17,384	\$17,099,797	\$7,302,008	\$7,237,983	\$14,539,991	\$836.40	85.0%	\$1,590,176	\$16,130,167	94.3%
Aug-17	17,413	\$17,180,643	\$11,508,220	\$7,521,222	\$19,029,442	\$1,092.83	110.8%	\$1,592,667	\$20,622,109	120.0%
Sep-17										
Oct-17										
Nov-17										
Dec-17										
Jan-18										
Feb-18										
Mar-18										
Apr-18										
May-18										
Jun-18										
<b>YTD Plan Year</b>	34,797	\$34,280,440	\$18,810,229	\$14,759,205	\$33,569,433	\$964.72	97.9%	\$3,182,843	\$36,752,276	107.2%
<b>12 Month Rollup</b>	207,066	\$199,860,498	\$111,009,963	\$82,660,400	\$193,670,363	\$935.31	96.9%	\$23,506,184	\$217,176,547	108.7%

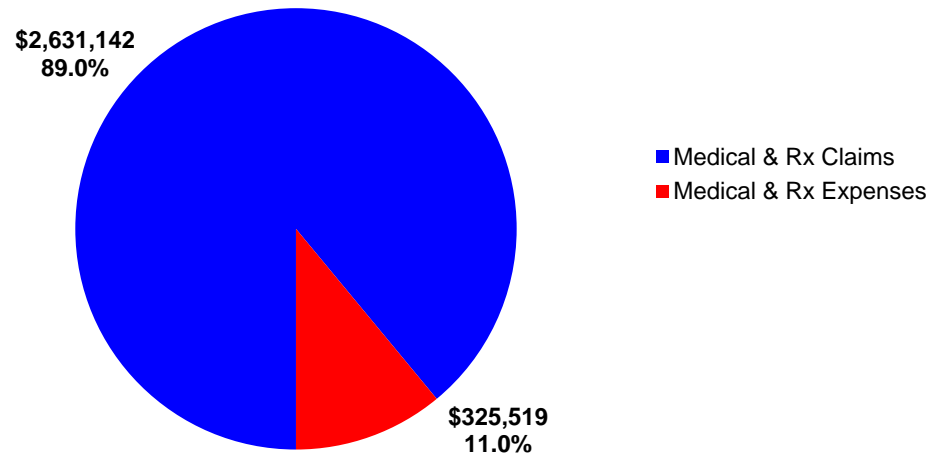
Medical Claims reported by Anthem  
 CVS Caremark Claims reported by CVS  
 Expenses: Anthem Admin, Stop Loss, and Premium Taxes  
 Enrollment and Premium Reported by LACERA



**Los Angeles County Employees Retirement Association**  
 Anthem Prudent Buyer  
 Coverage Month August 2017

Month	Monthly Enrollment	Monthly Premium	Medical & Rx Claims	Claims Per Retiree Per Month	Paid Loss Ratio	Medical & Rx Expenses	Total Paid Claims & Expenses	Expense Ratio
Jul-17	1,232	\$1,492,151	\$1,099,832	\$892.72	73.7%	\$163,756	\$1,263,589	84.7%
Aug-17	1,217	\$1,479,494	\$1,531,310	\$1,258.27	103.5%	\$161,763	\$1,693,072	114.4%
Sep-17								
Oct-17								
Nov-17								
Dec-17								
Jan-18								
Feb-18								
Mar-18								
Apr-18								
May-18								
Jun-18								
<b>YTD Plan Year</b>	2,449	\$2,971,645	\$2,631,142	\$1,074.37	88.5%	\$325,519	\$2,956,661	99.5%
<b>12 Month Rollup</b>	15,229	\$18,053,636	\$15,448,065	\$1,014.38	85.6%	\$2,401,758	\$17,849,823	98.9%

Medical Claims reported by Anthem  
 CVS Caremark Claims reported by CVS  
 Expenses: Anthem Admin, Stop Loss, and Premium Taxes  
 Enrollment and Premium Reported by LACERA



# Los Angeles County Employees Retirement Association

Cigna HMO <sup>(1)</sup>

Coverage Month August 2017

Month	Monthly Enrollment	Monthly Premium	Medical & Rx Claims	Claims Per Retiree Per Month	Paid Loss Ratio	Expenses	Total Paid Claims & Expenses	Expense Ratio
Jul-17	553	\$975,087	\$966,449	\$1,747.65	99.1%	\$116,133	\$1,082,582	111.0%
Aug-17	551	\$983,796	\$873,851	\$1,585.94	88.8%	\$117,170	\$991,021	100.7%
Sep-17								
Oct-17								
Nov-17								
Dec-17								
Jan-18								
Feb-18								
Mar-18								
Apr-18								
May-18								
Jun-18								
<b>YTD Plan Year</b>	1,104	\$1,958,883	\$1,840,300	\$1,666.94	93.9%	\$233,303	\$2,073,603	105.9%
<b>12 Month Rollup</b>	6,891	\$11,783,772	\$11,161,133	\$1,619.67	94.7%	\$1,411,302	\$12,572,436	106.7%

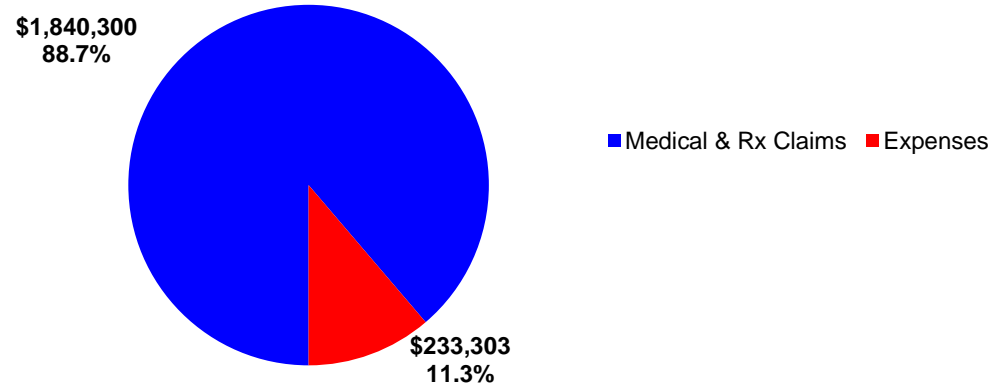
<sup>(1)</sup> Excludes Cigna's HealthSpring Preferred Plan.

Monthly Enrollment and Premium Data as reported by LACERA

Medical Claims reported by Cigna

Expenses: Cigna Admin Costs and Premium Taxes

Enrollment and Premium Reported by LACERA

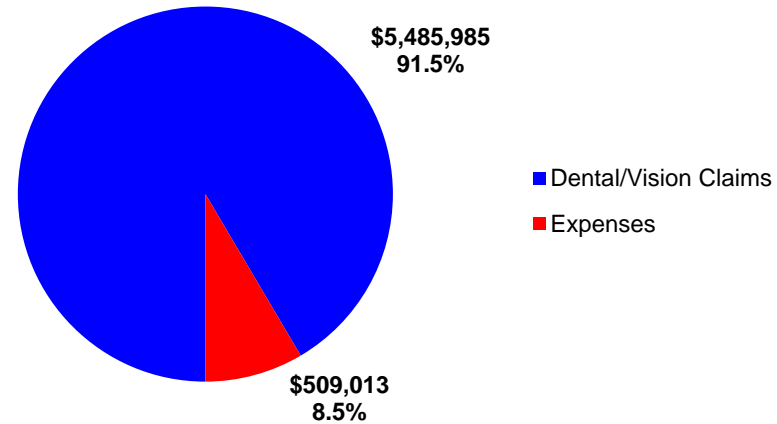


# Los Angeles County Employees Retirement Association

Cigna Dental PPO + Vision  
Coverage Month August 2017

Month	Monthly Enrollment	Monthly Premium	Dental/Vision Claims	In-Network Dental Claims %	Claims Per Retiree Per Month	Paid Loss Ratio	Expenses	Total Paid Claims & Expenses	Expense Ratio
Jul-17	44,382	\$3,514,433	\$2,517,042	56.8%	\$56.71	71.6%	\$254,699	\$2,771,742	78.9%
Aug-17	44,439	\$3,509,103	\$2,968,943	56.5%	\$66.81	84.6%	\$254,313	\$3,223,256	91.9%
Sep-17									
Oct-17									
Nov-17									
Dec-17									
Jan-18									
Feb-18									
Mar-18									
Apr-18									
May-18									
Jun-18									
<b>YTD Plan Year</b>	88,821	\$7,023,536	\$5,485,985	56.6%	\$61.76	78.1%	\$509,013	\$5,994,998	85.4%
<b>12 Month Rollup</b>	526,108	\$40,914,176	\$33,468,921	56.0%	\$63.62	81.8%	\$2,934,312	\$36,403,233	89.0%

Expenses: Cigna Admin Costs and Premium Taxes  
Enrollment and Premium Reported by LACERA



# Los Angeles County Employees Retirement Association

## Kaiser Utilization

### Coverage Month August 2017

- Kaiser insures approximately 23,000 LACERA members, with the majority enrolled in Medicare Advantage plans.
- Kaiser's Periodic Utilization Report (PUR) monitors utilization patterns of LACERA's non-Medicare population in Southern California.

Category	Current Period 3/1/2016 - 2/28/2017	Prior Period 3/1/2015 - 2/28/2016	Change
<b>Average Members</b>	<b>8,751</b>	<b>8,615</b>	<b>1.58%</b>
Inpatient Claims PMPM	\$203.19	\$199.15	2.03%
Outpatient Claims PMPM	\$257.10	\$236.08	8.90%
Pharmacy	\$88.33	\$102.45	-13.78%
Other	\$109.21	\$109.17	0.04%
<b>Total Claims PMPM</b>	<b>\$657.82</b>	<b>\$646.85</b>	<b>1.70%</b>

<b>Total Paid Claims</b>	<b>\$69,079,070</b>	<b>\$66,868,866</b>	<b>3.31%</b>
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<b>Large Claims over \$400,000 Pooling Point</b>			
Number of Claims over Pooling Point	8	4	
Amount over Pooling Point	\$1,135,988	\$1,724,712	-34.13%
% of Total Paid Claims	<b>1.64%</b>	<b>2.58%</b>	

Inpatient Days / 1000	321.6	341.2	-5.74%
Inpatient Admits / 1000	65.8	73.1	-9.99%
Outpatient Visits / 1000	12,058.9	12,291.2	-1.89%
Pharmacy Scripts PMPY	11.2	11.6	-3.45%