
SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Holly Mitchell, Chair
2019 - 2020 Regular

Bill No:	AB 90	Hearing Date:	June 19, 2019
Author:	Committee on Budget		
Version:	June 14, 2019 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Anita Lee		

Subject: Public employees' retirement

Summary: This bill makes necessary changes to implement the 2019-20 budget related to supplemental pension payments.

Proposed Law: This bill makes various statutory changes to implement the California Public Employees Retirement System (CalPERS) and California State Teachers' Retirement System (CalSTRS) related provisions of the 2019-20 budget. Specifically, this bill:

- 1) **CalPERS Supplemental Pension Payments.** Appropriates \$2.5 billion General Fund in 2018-19 to make a supplemental pension payment to address the state's unfunded liability. Funds shall be apportioned based on the estimated amount of General Fund that each state plan contributes to CalPERS.

The bill also makes additional payments of \$265 million General Fund, \$200 million General Fund, and \$35 million General Fund, in 2020-21, 2021-22, and 2022-23, respectively.

- 2) **CalSTRS Supplemental Pension Payments.** Appropriates a total of \$2.9 billion Proposition 2 Funds in 2019-20 through 2022-23 to pay down the state share of the CalSTRS unfunded liability. Additionally, appropriates approximately \$1.6 billion General Fund to address the school employers' share of the CalSTRS unfunded liability.
- 3) **CalSTRS and CalPERS School Employer Contribution Rates.** Appropriates \$500 million General Fund in 2019-20 to reduce the CalSTRS and CalPERS school employer contribution rate by approximately 1.03 percent for CalSTRS and 1.012 percent for CalPERS, and \$350 million in 2020-21 to reduce the CalSTRS and CalPERS school employer contribution rate by approximately 0.7 percent.
- 4) **CalPERS School Pool Supplemental Pension Payment.** Appropriates \$660 million General Fund in 2019-20 to address the school employers' share of the CalPERS unfunded liability.

Fiscal Effect: This bill appropriates approximately:

- 2018-19: \$4.8 billion General Fund,
- 2019-20: \$500 million General Fund and \$1.1 billion Proposition 2 Funds,
- 2020-21: \$615 million General Fund and \$802 million Proposition 2 Funds,

- 2021-22: \$200 million General Fund and \$615 million Proposition 2 Funds, and
- 2022-23: \$35 million General Fund and \$345 million Proposition 2 Funds.

Support: None on file.

Opposed: None on file.

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