

(Without Reference to File)

CONCURRENCE IN SENATE AMENDMENTS

AB 90 (Committee on Budget)

As Amended June 14, 2019

Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY:

This trailer bill makes statutory changes necessary to implement California Public Employees Retirement System (CalPERS) and California State Teacher's Retirement System (CalSTRS) related provisions of the 2019-20 budget.

Major Provisions

- 1) Appropriates \$2.25 billion General Fund in 2018-19 for the State Teachers' Retirement System to be transferred to the Teacher's Retirement Fund for the Defined Benefit Program for employer contributions for 2019-20 and 2020-21. For 2019-20 this will result in employers having to contribute 1.03 percent less than the amount currently required (estimated to about approximately \$500 million) and .70% less in 2020-21 (approximately \$350 million). The remainder of the amount (approximately \$1.6 billion) provided would make a supplemental payment to reduce the employers' share of the unfunded pension liability.
- 2) 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.
- 3) Appropriates \$2.5 billion General Fund in 2018-19 for the State Public Employees' Retirement System to be transferred to the Public Employees' Retirement Fund for apportionment to specific state employee member categories. Also, appropriates \$265 million General Fund for 2020-21, \$200 million General Fund for 2021-22, and \$35 million in 2022-23 to the Public Employees' Retirement Fund for apportionment to specific member categories. These supplemental payments would be applied to unfunded state liabilities for enumerated state employee member categories.
- 4) Appropriates \$904 million General Fund in 2018-19 to be transferred to the Public Employees' Retirement Fund for payments relating to school employers' contributions and unfunded liabilities consistent with a schedule of payments that the Department of Finance would provide to the Controller to establish the timing of specific transfers.

The Senate Amendments:

COMMENTS:

According to the Author:

Arguments in Support:

Arguments in Opposition:

FISCAL COMMENTS:

This bill is a budget trailer bill within the overall 2019-20 budget package to implement actions related to supplemental pension payments. This bill appropriates:

- 1) 2018-19: \$4.9 billion General Fund,
- 2) 2019-20: \$500 million General Fund and \$1.1 billion Proposition 2 Funds,
- 3) 2020-21: \$585 million General Fund and \$802 million Proposition 2 Funds,
- 4) 2021-22: \$165 million General Fund and \$615 million Proposition 2 Funds, and
- 5) 2022-23: \$345 million Proposition 2 Funds.

VOTES:

ASSEMBLY FLOOR: 54-13-13

YES: Aguiar-Curry, Bauer-Kahan, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chu, Cooper, Daly, Eggman, Frazier, Friedman, Gabriel, Cristina Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager-Dove, Limón, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Weber, Wicks, Wood, Rendon

NO: Bigelow, Brough, Dahle, Flora, Fong, Gallagher, Kiley, Mathis, Melendez, Obernolte, Patterson, Voepel, Waldron

ABS, ABST OR NV: Arambula, Berman, Chen, Chiu, Choi, Cooley, Cunningham, Diep, Eduardo Garcia, Lackey, Levine, Low, Mayes

UPDATED:

VERSION: June 14, 2019

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