
THIRD READING

Bill No: AB 90
Author: Committee on Budget
Amended: 6/14/19 in Senate
Vote: 21

SENATE BUDGET & FISCAL REVIEW COMMITTEE: 14-0, 6/19/19
AYES: Mitchell, Nielsen, Beall, Hurtado, Jones, Leyva, McGuire, Monning,
Moorlach, Morrell, Pan, Skinner, Stone, Wieckowski
NO VOTE RECORDED: Durazo, Roth, Stern, Umberg

ASSEMBLY FLOOR: Not relevant

SUBJECT: Public employees' retirement

SOURCE: Author

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

ANALYSIS: 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.

This 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, 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: Appropriation: Yes Fiscal Com.: Yes Local: No

According to the Senate Budget and Fiscal Review Committee, 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: (Verified 6/13/19)

None received

OPPOSITION: (Verified 6/13/19)

None received

Prepared by: Anita Lee / B. & F.R. / 916-651-4103
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