

Date of Hearing: April 20, 2022

ASSEMBLY COMMITTEE ON PUBLIC EMPLOYMENT AND RETIREMENT

Jim Cooper, Chair

AB 2015 (Cooley) – As Amended March 21, 2022

SUBJECT: Sacramento Regional Transit District: board of directors: voting procedures: contracting authority: retirement board

SUMMARY: Authorizes board members and employees of the Sacramento Regional Transit District (SacRT) to serve on its retirement board if the SacRT establishes a board for the retirement system, among other provisions. Specifically, **this bill:**

- 1) Amends existing law to authorize board members and employees of the SacRT to serve on the retirement board, if the SacRT establishes a retirement system for its members.
- 2) Includes pro forma boilerplate provisions relating to the Commission on State Mandates relating to costs mandated by the state and reimbursement to local agencies and school districts.
- 3) Makes technical changes for these specific purposes.

EXISTING LAW:

- 1) Establishes the “Sacramento Regional Transit District Act” that generally provides for the creation of the district and annexation, governance, powers and functions of the SacRT, facilities and service, and personnel among others, for the SacRT.¹
- 2) Does not cover California’s public transit districts by a common collective bargaining statute. Instead, while some transit agencies are subject to the Meyers-Milias-Brown Act, the majority of transit agencies, like the SacRT, are subject to labor relations provisions that are found in each district’s specific Public Utilities Code enabling statute, in joint powers agreements, or in articles of incorporation and bylaws. These provisions provide employees with basic rights to organization and representation.
- 3) Authorizes the SacRT to provide a retirement system for its employees if the adoption, terms, and conditions of the retirement system covering the employees who are represented by a labor organization are pursuant to a collective bargaining agreement (CBA) between the SacRT and the labor organization.²

¹ Sections 102000 through 102700 of the Pub. Util. Code.

² Section 102430 of the Pub. Util. Code. In addition, current and archived SacRT Retirement Board documents are publicly available by visiting: <http://portal.sacrt.com/iapps/srtdbm/retirementboard.asp>

- 4) Authorizes the SacRT to establish trust accounts for purposes of retirement.³
- 5) Authorizes the SacRT to contract with the California Public Employees' Retirement System (CalPERS) and enter all or some of its employees into that system, provided that none of the SacRT's employees in a bargaining unit represented by a labor organization are required to participate in CalPERS except as authorized by a CBA.⁴
- 6) Establishes that whenever the SacRT acquires facilities from a publicly or privately owned public utility, as provided, that has a pension plan in operation, the members and beneficiaries of that plan must continue to have the rights, privileges, benefits, obligations, and status with respect to that plan, and the board must consider and take into account the outstanding liabilities of the publicly or privately owned utility in relation to the pension plan and negotiate an allowance in the purchase price of the utility for the assumption of those obligations and liabilities.⁵
- 7) Provides that a public officer, including, but not limited to, an appointed or elected member of a governmental board, commission, committee, or other body, must not simultaneously hold two incompatible public offices.

Generally, "incompatible offices" refers to those in which one office has oversight or authority over another; differences in powers and jurisdiction such that questions arise relating to duties or loyalties between the offices, and the incompatibility of public policies affecting different offices. In these instances, existing law codifies common law rule prohibiting occupancy of incompatible offices, prescribes the processes to address and enforce such circumstances, and provides certain specified exceptions relating to employment.⁶

FISCAL EFFECT: Unknown. This bill is flagged as fiscal by Legislative Counsel.

COMMENTS: Relating to those matters within the jurisdiction of this committee, the author states that, "[The] SacRT has historically allowed its employees and board members to serve on their retirement board. However, they may be precluded from doing so under section 1099 of the Government Code. This may be remedied by allowing an officer to hold two incompatible positions by statute.

"This bill explicitly authorizes the board's existing practice to allow employees and board members to serve on the retirement board to ensure compliance with [existing law]."

³ Section 102430 of the Pub. Util. Code.

⁴ Section 102431, *ibid*.

⁵ Section 102432 of the Pub. Util. Code.

⁶ Section 1099 of the Gov. Code.

1) Dual Referral

The committee is informed that this bill was heard and unanimously passed (8-0) on consent by the Assembly Committee on Local Government on April 6, 2022. This analysis only discusses matters that are germane to the jurisdiction of the Assembly Committee on Public Employment and Retirement.

2) Comments by Supporters

The SacRT states that, “[we have] made many strides in streamlining our processes and identifying business efficiencies in recent years. [This bill] affects five sections of the Enabling Act that are either obsolete, contain ambiguities, or that require modification to improve business processes at the SacRT. Since the pandemic, SacRT has served as a lifeline to so many in our community, safely transporting frontline workers to and from their destination. As our region begins to recover, transit will play an instrumental role in addressing our climate and equity goals. We look forward to expanding transit throughout the region with additional local, state, and federal support.

The Sacramento Metro Advocates for Rail and Transit (SMART) makes statements similar to those of the SacRT, and in addition to support regarding the proposed changes relating to the SacRT retirement board.

3) Prior or Related Legislation

Chapter 272, Statutes of 2021 (Assembly Bill 1196, Cooley) made changes to the voting structure of the SacRT board of directors, among other provisions.

Chapter 536, Statutes of 2011 (Assembly Bill 957, Committee on Transportation) was a transportation omnibus bill that made noncontroversial changes to the Public Utilities Code and other Codes relating to the SacRT and statewide transportation generally.

Chapter 254, Statutes of 2005 (Senate Bill 274, Romero) prohibits an elected or appointed member of a government body from accepting election or appointment to a second body without resigning from the first.

Chapter 1374, Statutes of 1971 (Senate Bill 1477, Rodda) authorized the establishment of the SacRT, defined the area to be included in the district, and prescribed the purposes, powers, and duties of the district.

REGISTERED SUPPORT / OPPOSITION:

Support

Sacramento Regional Transit District (*Sponsor*)
Sacramento Metro Advocates for Rail and Transit

Opposition

None on file.

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