



RETIRED PUBLIC EMPLOYEES' ASSOCIATION OF CALIFORNIA



Priya Mathur



Rob Feckner



Margaret Brown



John Chiang



Richard Costigan



Richard Gillihan



Dana Hollinger



Henry Jones



David Miller



Ramón Rubalcava



Bill Slaton



Theresa Taylor



Betty Yee

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President's Report



George Linn

RPEA PRESIDENT



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RPEA NEWSLETTER

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A Message From President George Linn

The CalPERS Board of Administration is always in the news. Who are the Board members, and how do they obtain their seats on this Board which controls the largest pension system in the country—the pension system that oversee our pensions? The CalPERS Board is

comprised of thirteen individuals who help set policy and oversee the administration of retirement and health benefits to its members, including the administration of the pension fund's investments. Here is a list of each Board member (pictured on the cover) and where they came from:

Priya Mathur, President	Public Agency Member Representative
Rob Feckner, Vice President	School Member Representative
Margaret Brown	All Member Representative
John Chiang	Ex Officio Member, California State Treasurer
Richard Costigan	State Personnel Board Representative
Richard Gillihan	Ex Officio Member, Department of Human Resources
Dana Hollinger	Governor Appointee, Insurance Industry Representative
Henry Jones	Retired Member Representative
David Miller	All Member Representative
Ramón Rubalcava	Public Representative, CA Legislature
Bill Slaton	Governor Appointee, Local Government Elected Official
Theresa Taylor	State Member Representative
Betty Yee	Ex Officio Member, California State Controller

The Board meets for three days during most months of the year. It is divided into committees. The committees are Board Governance, Finance & Administration, Investment, Pension & Health Benefits, Performance, Compensation & Talent Management and Risk & Audit. Each committee's decisions are subsequently ratified or amended by the full Board.

How does RPEA interact with this CalPERS Board? Here are the mechanics. Several of your RPEA Board members review each Committee agenda as it becomes available. I always look at the consent items, which are items that will be acted on without CalPERS Committee discussion. In addition, CalPERS CEO, Marcie Frost, holds a

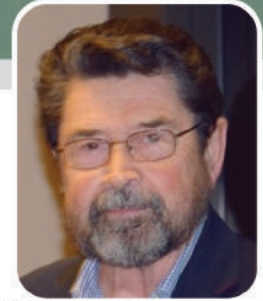
teleconference meeting to provide a preview of upcoming agenda items and to find out which items participants might want more information about.

RPEA Vice President, Al Darby, takes a detailed look at the issues being discussed by the Investment Committee. He has been very vocal and critical when the return on investment is not on par with the market. Al and I have been critical of the ESG policies that continue to be on the CalPERS agendas. While we are not against ESG, per se, the focus needs to be on the return on investment. I have also spoken against the reduction of the discount rate. The objective is to require an increase in contract agency contributions and increased contributions from some members.

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Vice President's Op/Ed

By Al Darby, Vice President



You may recall a situation in Southern California last year that resulted in the reduction of pension benefits to CalPERS members who were employed by a Joint Powers Authority (JPA) called "LA Works." These people, approximately 65 of them, were forced to take a 63% cut in their pension benefit because the four cities that originally formed the JPA terminated the project after Los Angeles County failed to renew the contract to keep LA Works engaged in its work; job placement development. These four cities simply washed their hands of any obligation to properly terminate the JPA contract with CalPERS, thereby causing the JPA to default on its CalPERS commitment.

In early 2017, the CalPERS Board approved the decision by the CalPERS Chief Financial Officer to terminate the defaulting JPA, the CalPERS Chief Actuary stated that retirees and actives who are vested in the system would receive a 63% reduction in their pension benefit. From that time forward, RPEA worked with leaders among the retirees affected to try to get legal representation for this group. We also worked with our lobbyist to get legislation introduced that would alleviate this problem. Our efforts have now paid off in terms of getting a bill before the legislators. We must now work to get it passed and signed into law by the Governor. I can tell you that these folks at LA Works are very grateful to us for our contribution to this effort. Some are now members of RPEA.

Fortunately, RPEA and some labor organizations recognized the very harsh reality these folks were confronted with and sought to remedy the situation with legislation that requires the founders of the JPA to honor their pension obligation to these CalPERS members. A bill in the state legislature, AB 1912, does this and requires the cities that created the LA Works JPA to pay the arrears amount owed to CalPERS. Hopefully, this bill will pass in the legislature and the Governor will sign it into law.

At this moment there is one provision in this bill that applies to CalPERS. It requires CalPERS to take legal action against the agencies that are the founders of JPA's if the JPA is defunct and obligated to CalPERS for a termination fee that is unpaid. Hopefully this provision can be reconciled with CalPERS. The benefits of this bill far outweigh any added burden to CalPERS. We cannot allow pensions to be promised and then be cut by 63% or any other amount after a JPA terminates and doesn't pay

the fee that fully covers pensions for active employees and retirees. RPEA will support the bill as written and lobby CalPERS to accept its obligation to its members and fulfill this legal duty.

On April 6, I attended a meeting in San Jose in which an activist group among the local chapters in that area has begun an initiative to establish a committee of representatives from interested chapters to advocate for pension and health care issues at local legislators' offices, city councils and county boards of supervisors. This group is comprised of some RPEA members who are prominent former local government or union leaders. We at Headquarters have listened and will watch the development of the effort and support it after its mission is established. The group hopes to create a model regional advocacy program that other chapters around the state can emulate. If successful, and I'm sure it will be based on the expertise of the founding members, RPEA will have a grassroots

"We cannot allow pensions to be promised and then be cut by 63% or any other amount after a JPA terminates and doesn't pay the fee that fully covers pensions for active employees and retirees"

advocacy program that can reach legislators, city councils, boards of supervisors and boards of special districts to raise positive awareness of retiree issues within these important governing bodies.

We continue our important work at CalPERS to redirect some of the actions that the staff promotes that do not benefit members; and in some cases, do not benefit CalPERS board members. For example, paper transcriptions of committee and Board meetings were proposed to be eliminated causing prior meetings to be only available on audio/visual media. A Board member who missed a prior meeting would have to search A/V media to find the material they missed and hope that the recording gives a clear picture of the material discussed. Our public comment was recognized as relevant and valid, and the proposal was quashed. Likewise, for limiting the length of discussion on a committee agenda item; many times, unforeseen elements have been introduced in discussion periods that require a more thorough debate to flesh out the significance of all thoughts on a subject and its unforeseen implications. RPEA, along with other retiree associations, regularly contributes to a more thorough and exhaustive examination of CalPERS activities.

A new proposal to cut discretionary spending in CalPERS will be scrutinized by RPEA to determine if it harms member services in any way. If so, we will express our opposition to those components in the proposal that should not be altered or eliminated.

Health Benefits Update



By Donna Snodgrass, Director of Health Benefits

For Christmas last year my husband gave me a copy of the original Julia Child cookbook.

If you haven't read it, it really is a text book in French cooking. I've been reading and trying some of the recipes, so I really feel like saying, "Helloooooo!" One thing is for certain, it ain't a book for losing weight or controlling your cholesterol! But boy, is the food yummy.

OptumRx

In our last newsletter, you had an opportunity to read the transcript of the message delivered to the CalPERS Pension & Health Benefits Committee concerning the issues we have experienced with OptumRx pharmacy management.

In the weeks following the February CalPERS meeting we have had a chance to work with the OptumRx management team. Since our issues were made public, OptumRx has discovered numerous internal disconnects in communication. The entire management team from OptumRx was invited to the RPEA April Board of Directors meeting in Sacramento. There were 15 staff members and managers in attendance, as well as the Senior Vice President of OptumRx. Also in attendance were Rob Feckner, CalPERS Vice President, and Liana Bailey-Crimmins, Chief of the Health Benefits Division for CalPERS, along with members of California State Retirees (CSR). CSR supported us during our vote of no confidence and were invited to see the results of these efforts.

While working on this issue I discovered another situation that I did not even know existed. There is more than one "OptumRx" contract. OptumRx is contracted directly with CalPERS as the Pharmacy Benefits Manager linked to Anthem insurance plans, including PERSCare, PERS Choice and PERS Select. However, UnitedHealthcare came to us "fully contained," including Optum for both the Basic and Medicare Advantage coverage. The UnitedHealthcare contract has different parameters, including a completely different formulary list for drugs for both their Basic and Medicare

Advantage PPO plans. Plus, the CMS (Medicare) formulary is a third list. This discovery was so unexpected to me that I am still processing it all! I am working with CalPERS staff to try and get some consistency between these benefit packages.

Each of the concerns that we brought to the CalPERS committee in February were handled individually, resolved and processes internal to OptumRx over these issues have been addressed.

OptumRx has assured us that they will address any future issues quickly and have given us the direct phone number for your representative.

OptumRx – Anthem's PERSCare, PERS Choice and PERS Select Insurance through CalPERS

(855) 505-8110, Basic plan (non-Medicare)

(855) 505-8106, Medicare

UnitedHealthcare, Basic HMO plan (non-Medicare)

(877) 359-3714

UnitedHealthcare, Medicare Advantage PPO Plan

(888) 867-5581

These phone numbers also appear on the back side of your medical/pharmacy benefit card.

OptumRx has assured us that, even if you call the wrong number, the team will take the information and pass it along to the correct representative. You shouldn't need to make more than one phone call. Of course, RPEA is here if you think you need a little more help.

Another good thing came from our effort. CalPERS is planning to make this issue one of the main topics at the next Retiree Roundtable meeting and suggested that a smaller working group be created for a more thorough discussion and; hopefully, positive solutions.

Continued on next page

Health Benefits Update

An issue such as this is one of many reasons to be a member of RPEA. I hope to meet all the Delegates at the General Assembly in September. OptumRx will be there to answer questions in the health benefits workshop.

Regional Pricing

Discussions have begun on the regional pricing for our medical insurance premiums. CalPERS is looking at the current regions to determine if the lines need to be redrawn. There will be further discussions on whether or not regional pricing is needed at all. In the next newsletter I will be addressing this issue with a brief history on why regional pricing was created and what, if any, decisions have been made. RPEA will be working with CalPERS for input into the regions.



(L-R) Mark Brunell, UnitedHealthcare Retiree Solutions Regional Vice President; Ellen Nelson, Senior Vice President, OptumRx; Joshua Nunnally, Director of Operations; OptumRx; Michael Kennedy, Director, Account Management, OptumRx; Donna Snodgrass

CalPERS Announces Candidates for Fall 2018 Board Election



May 18, 2018

Public Agency Members to Vote; Two Candidates Run Unopposed

SACRAMENTO, Calif. – CalPERS is conducting one election this fall for the public agency representative seat on the CalPERS Board of Administration. Elections for the school and state board member representative seats will not be conducted since incumbents Theresa Taylor and Rob Feckner were unopposed.

The 13-member CalPERS Board of Administration sets policy for retirement and health benefits on behalf of California public employers, and their active and retired employees. The board also oversees asset allocation of the pension fund's investments. Under the California Constitution, the CalPERS Board has exclusive authority to administer the CalPERS Pension Fund.

Ballots will be mailed August 31 and votes must be received by October 1. Only eligible active public agency members will be able to vote online, by phone, or by mail.

The candidates for public agency member position are:

- Priya Mathur (incumbent), Bay Area Rapid Transit
- Jason Perez, Corona Police Department

Taylor represents state members on the board while Feckner represents school members.

A public random drawing will determine the order of the names on the ballot. The drawing will be held on June 5 at 9:00 am at CalPERS Headquarters, Lincoln Plaza North, 400 Q Street, Room 1160, Sacramento, CA.

Information on the upcoming board election and resources for members and candidates are available at www.calpers.ca.gov/boardelection.

Farewell to Past State President, Robert W. Wilson



In Memory

RPEA Past State President, Robert W. Wilson, passed away on March 18, 2018. Bob was a long-time supporter of RPEA, member of Chapter 084 – ROSEVILLE and served as State President from 1999 thru 2002. He will be remembered and missed by the entire RPEA family.



MESSAGE TO GENERAL ASSEMBLY 2018 DELEGATES FROM JULIE VAN ETTEN, CHAIR, GENERAL ASSEMBLY PLANNING COMMITTEE

Hello, Delegates!

September will be here before you know it, and the General Assembly 2018 Planning Committee is working hard to make this the best Assembly ever! Besides all the important business that will be conducted such as Resolution Hearings, Workshops and the election of new State Officers, we hope to be able to arrange a surprise or two which will make this year's event very enjoyable. You can look forward to informative panel discussions, good meals and a banquet with great entertainment.

This year's event will be held at the Doubletree Hilton Hotel in Orange, CA, and is scheduled for September 9 – 12, 2018.
We look forward to seeing you there!



RPEA Appoints Randall Cheek as New Interim Director of Legislation

On page 10 of this issue, former Director of Legislation, Jim Anderson, states that this RPEA Legislative Update is his last. Jim announced his resignation on April 23, which was accepted by the Board of Directors at the April/May meeting. Jim served RPEA in this capacity since 2014; and, as you are aware, has done a stellar job. The silver lining here is that Jim will continue to serve RPEA as President of Chapter 015 – RIVERSIDE.

Chapter 004 – SACRAMENTO Vice President, Randall Cheek, will finish Jim's term as Director of Legislation. Randy has over 20 years of experience working for the California Legislature. He was appointed by Governor Gray Davis to be Legislative Liaison for California Lottery and is the former Legislative Advocate for SEIU Local 1000.

April/May Board of Directors Meeting



(L-R) Bill Brennan, Assistant Area Director I & VP of Chapter 010 – MARIN; Dolores Barron, President of 012 – LAKE COUNTY; Carol McClung, Secretary of 012 – LAKE COUNTY



Rob Feckner, Vice President, CalPERS Board of Administration; Liana Bailey-Crimmins, CalPERS Chief Health Director



Larry Woodson, Health Benefits Committee Chair, California State Retirees (CSR)



RPEA President George Linn & RPEA Secretary/Treasurer, Marie Reed



RPEA Legislative Advocate, Aaron Read of Aaron Read & Associates



RPEA Auditor, Natalie Myers of Campbell Taylor & Co.



Area Director VIII, Kathleen Collins



President Linn presents award of recognition to Director of Health Benefits, Donna Snodgrass



Susan Tamboury, newly-appointed Assistant Area Director I and member of Personnel Related Benefits Committee



Director of Public Relations, C. T. Weber & Area Director IX, Larry Sullivan



Director of Membership, Rosemary Knox & Area Director VI, Wes Stonebreaker



Chapter 004 – SACRAMENTO member, Diane Buffington

Legislative Update



By Aaron Read and Pat Moran of Aaron Read & Associates



BUDGET

On May 11, 2018 Governor Brown unveiled his "May Revision," which includes changes to his proposed January 2018 budget based upon the latest economic forecasts. The Governor opened the press conference by saying, "This is a time to save for our future, not to make pricey promises we can't keep. I said it before and I'll say it again: Let's not blow it now."

Consistent with past budget proposals, the Governor and his budget summary stresses caution. The January budget plan proposed to fully fund the state's "rainy day fund" (\$13.8 billion) which, by law, can only hold a sum equivalent to 10 percent of general fund revenues. If money continues to come in above that level, the state is required to spend any additional revenue on infrastructure, like roads, prisons and state offices. The Governor's May Revision proposes to direct another \$3.2 billion into a separate budget reserve that is used for emergencies like natural disasters.

The summary continues to emphasize caution. "By the end of 2018-19, the U.S. will have matched the longest recovery in modern history. The best way to buffer against uncertainty and protect against future cuts is to continue building the state's reserves and avoid making substantial new ongoing obligations." It goes on to emphasize, "The January Budget was projected to have a healthy one-time surplus and focused the new funds on building up the state's Rainy Day Fund to prepare for the next recession. Since that time, revenues have continued to grow. Capital gains are projected to be at an all-time high and state unemployment is at an all-time low. Despite strong fiscal health in the short term, the risks to the long-term health of the state budget continue to mount—the effects of the 2017 federal tax bill remain uncertain, the nation faces a host of global risks and the volatility of the stock market has returned.

With that, the May Revision includes \$137.6 billion in general fund spending and \$199.3 billion in total spending and tax collections in California are coming in well ahead of expectations. As a result, the Governor and the Legislature have an additional \$3.8 billion in revenue above what the governor projected when he released his initial budget proposal in January. And while the Governor continues to promote frugality, the Legislature has several proposals on the table that will come to a head when the legislative leaders meet with the Governor to discuss budget related matters. Legislative Democratic plans include:

- Spend an extra \$1.5 billion fighting homelessness;
- \$1 billion on health care; and

■ Hundreds of millions of dollars in additional spending for the University of California and California State University systems.

When asked about legislative priorities, the Governor said, "He would look at the Democratic proposals, but that proponents shouldn't get their hopes up, we're already over-extended." He went on to say, "I'll be very cautious in this year's budget...If you take all these needs — and there are a lot of them — it's endless...I don't think the money is there."

During the press conference, a reporter commented that cities were already having trouble meeting their pension contributions and asked if the state planned to help cities deal with the rising costs of pension. The Governor responded by saying, "We've made some significant pension reform. Some people said it wasn't that big, but it was very big. Each year it gets more significant as newer employees fill out most of the workforce. The pension story is not over yet. There will be more developments in the next several years. There are court cases that will make some significant changes and then, of course, we have retiree health. All those are factors we have to work with. On the local schools, we've been providing far more money than their costs are. We're giving the schools much more money than the rise in their cost, so we're helping them with the pension. The cities make these decisions. The pension decision that the state made was voluntary. A lot of times cities signed up for pensions they couldn't afford. I don't think the state is in a position, as far as I can see, to step into the shoes of mayors and supervisors. They're going to have to handle that themselves."

The May Revision marks the beginning of a month's worth of intense budget negotiations with legislative leaders. By law, the Legislature must pass a budget and present it to the Governor no later than June 15th, the constitutionally required deadline.

LEGISLATIVE UPDATE

April 27th was the deadline for policy committees to hear fiscal bills introduced in their house; May 11th was the deadline for policy committees to hear non-fiscal bills. As we go to press, the fiscal committee deadline, which is May 25th, has not yet passed. Therefore, please see the next newsletter for an update. In the meantime, below is a list of bills RPEA is tracking and their current status:

AB 315 (Wood, D-Santa Rosa) – This bill requires Pharmacy Benefit Managers (PBMs) to register with the Department of Managed Health Care before conducting business in California. It also requires PBMs, on a quarterly basis, to disclose, upon a purchaser's request,

Legislative Update



information with respect to prescription product benefits specific to the purchaser for all retail, mail order, specialty, and compounded prescription products, as specified. **AB 315 is currently on the Inactive File on the Senator Floor. RPEA is in support.**

AB 1912 (Rodriguez, D-Pomona) – This bill requires member agencies of a Joint Powers Authority (JPA) that participates as a contracting agency in the California Public Employees' Retirement System (CalPERS), or any other public employee retirement system for purposes of administration of retirement benefits, be jointly and severally liable for the retirement obligations of the JPA, among other provisions. **AB 1912 is currently awaiting a hearing in the Assembly Appropriations Committee. RPEA is in support.**

ACR 238 (Kalra, D-San Jose) – This bill proclaims and acknowledges the month of June 2018 as Elder and Dependent Adult Abuse Awareness Month in California and would reiterate the importance of annually recognizing Elder and Dependent Adult Abuse Awareness Month in the state. The bill was just introduced and has not yet been set for committee. **RPEA is in support.**

SB 1031 (Moorlach, R-Costa Mesa) – This bill would prohibit a public retirement system from making a cost-of-living adjustment to any allowance payable to, or on behalf of, a person retired under the system who becomes a new member on or after January 1, 2019, or to any survivor or beneficiary of that member or person retired under the system, for any year in which the unfunded actuarial liability of that system is greater than 20%. The bill would require that the determination of unfunded actuarial liability be based on a specified financial report and would apply the prohibition on cost-of-living adjustments, if any, to the calendar year following the fiscal year upon which the report is based. **SB 1031 died in the Senate Public Employment and Retirement Committee. RPEA was opposed.**

SB 1032 (Moorlach) – This bill would authorize a contracting agency to terminate its contract with the Board of Administration of the Public Employees' Retirement System at the agency's will and would not require the contracting agency to fully fund the Board's pension liability upon termination of the contract. The bill would authorize the Board to reduce the member's benefits in the terminated agency pool by the percentage of liability unfunded. The bill would also authorize a contracting agency that terminates its contract with the Board to transfer the assets accumulated in the system to a pension provider designated by the contracting agency. Essentially, SB 1032 lets the employer cancel their contract, not cover the cost of their obligations, reduce not

only the current member's benefit but the benefit of those that retired from that employing agency, and transfer the fund's assets to whomever they please, thus threatening retirement and the promises made to ones' employees.

This bill reflects the continued onslaught of inflammatory media reports and political rhetoric that exploit public pensions as a lavish expense that taxpayers can't afford.

SB 1031 died in the Senate Public Employment and Retirement Committee. RPEA was opposed.

SCA 8 – This bill would permit a government employer to reduce retirement benefits that are based on work not yet performed by an employee regardless of the date that the employee was first hired, notwithstanding other provisions of the California Constitution or any other law. The measure would prohibit it from being interpreted to permit the reduction of retirement benefits that a public employee has earned based on work that has been performed, as specified. The measure would define government employer and retirement benefits for the purposes of its provisions. Essentially, this bill changes an employee's retirement mid-career. SCA 8 was introduced last year, but as of this writing, it has not yet been set for a hearing. Although the House of Origin deadline has passed, Constitutional Amendments are not subject to the same deadlines as regular bills. **SCA 8 is awaiting a hearing in the Senate Public Employment and Retirement Committee. RPEA is opposed.**

SCA 10 (Moorlach) – This bill would prohibit a government employer from providing public employees any retirement benefit increase until that increase is approved by a 2/3 vote of the electorate of the applicable jurisdiction and that vote is certified. The measure would define retirement benefit to mean any postemployment benefit and would define benefit increase as any change that increases the value of an employee's retirement benefit. The measure would define a government employer to include, among others, the state and any of its subdivisions, cities, counties, school districts, special districts, the Regents of the University of California, and the California State University. This bill was also introduced last year but is not subject to the same deadlines as regular bills. **SCA 10 is awaiting a hearing in the Senate Public Employment and Retirement Committee. RPEA is opposed.**

SCR 140 (Dodd, D-Napa) – This bill proclaims the month of June 2018 and June of every year thereafter as Elder and Vulnerable Adult Abuse Awareness Month. **RPEA is in support.**

RPEA Legislative Update



By Jim Anderson, Director of Legislation

In preparation for writing my final Legislative Update, I looked back at the first ones I wrote soon after taking over from Bill Duclus. Bill had been around for some time and knew the ins and outs of the legislative process. Fortunately, he was still around and provided excellent counsel. And, I was doubly blessed by having Bill Fawx remain on the Legislative Committee to provide background for many of the issues that faced RPEA in 2010.

In 2010 we were in the midst of a change in Governor from Schwarzenegger to Brown. We were also in the depths of the "Great Recession." Wherever public employees turned, there was finger-pointing and complaints that public pensions were bad, and public employees should not have defined benefit plans for their retirement packages. Governor Schwarzenegger vetoed legislation in 2010 that was intended to provide some "pension reform" and correct problems that had been discovered at the City of Bell. His veto messages on these bills stated that "they did not go far enough."

The new/old Governor Brown soon announced that he would undertake pension reform as one of his early actions. He proposed 15 items in the pension reform package. RPEA agreed with some of these proposals to fix some of the most egregious problems. These included "spiking to increase pension payouts," the purchase of "air time" to inflate benefits for work not performed, and pension take-away for persons committing criminal acts while employed. Eventually, eight of the fifteen items were approved as the Public Employees Pension Reform Act (PEPRA).

So, what has changed since 2010? There is still a constant drum-beat that public pensions are "crowding out" the normal budgets of public agencies. There are constant editorials, articles and pronouncements that public employee pension benefits are way too high. The \$100,000 club is touted as evidence that defined pension benefits are out of control, without making it clear that these benefits were capped by PEPRA. In addition, these high pensions were for very highly-paid executives and physicians in government positions.

This year RPEA has OPPOSED several bills that would make it more difficult for defined benefits to survive as they are today. These bills would make increases

subject to public vote or allow pension plan members to opt out and take their benefits to another job. In the long term, these bills would not correct any problem, but would make defined benefits plans even more uncertain. In addition to legislation, there are several court cases that challenge provisions of the original pension reform plans that were passed in 2011-12.

So, in the past nine years, not a lot has changed, but the process has speeded up to the point that RPEA needs to keep up the pressure on the legislature and CalPERS to make sure our earned benefits are not degraded. As Bill Fawx continues to remind me and the Legislative Committee, these benefits are DEFERRED INCOME that were promised us as public employees. RPEA will continue to hold this truth to those in power and maintain our focus on protecting our rights to a comfortable retirement that we earned.

It has been an interesting time and more fun than I thought it would be. I am certain that RPEA will continue in very good hands. And, I will be around on the edges to provide any help and support the Board of Directors might request.



Last meeting of the Legislative Committee under Jim Anderson's direction. (L-R) Jerry Bowles of Chapter 009-SURF CITY SANTA CRUZ; Randall Cheek, VP, Chapter 004 - SACRAMENTO; Mary Helvie, Chapter 056-BORDER; Jim Anderson; Rita Ferm, Chapter 047-YUCAIPA; Alan Wade, member of Chapter 004; Eric Thompson of Chapter 043-YOLO COUNTY

RPEA Legislative Position & Tracking Chart



2018 RPEA LEGISLATIVE TRACKING & POSITION State and Federal Legislation - 2017 - 2018

MAY 1, 2018

BILL NUMBER & AUTHOR	LEGISLATIVE INTENT	CURRENT STATUS	RPEA POSITION
AB 315 (Wood) Introduced 2-10-17 Pharmacy Benefit Management Amended in Senate	This bill would require pharmacy benefit managers and designated pharmacy benefits manager representatives to be licensed by the California State Board of Pharmacy and would establish qualifications for the designated pharmacy benefits manager representative license. Amendments removed monetary penalties but suspends registration if a violation of this law.	Senate Appropriation Committee INACTIVE FILE	S₃
AB 444 (Ting) Introduced 2-13-17 Medical Sharps Amended 4/18/17	This bill would require Cal/EPA to develop a statewide program, in consultation with stakeholders, for the collection, transportation, and disposal of home-generated medical waste. Requires funds in the Budget Act to allow for implementation.	Passed Assembly and held in Senate Envir. Quality 2-year bill	S₃
AB 614 (Liman) Introduced 2-14-17 Alzheimer's and dementia specialist	Existing law requires each area agency on aging to maintain a professional staff that is supplemented by volunteers, governed by a board of directors or elected officials, and whose activities are reviewed by an advisory council consisting primarily of older individuals from the community. This bill would require each area agency on aging to maintain an Alzheimer's and dementia specialist to provide information, assistance, referrals, and options to families.	Passed Assembly Senate Approp Committee Inactive File 2-year bill	S
AB 1912 ((Rodríguez) Introduced 2/23/18 JPA Liability for Pensions (Amended 4/19/18)	The bill would specify that if an agency to a joint powers agreement participates in a public retirement system, all parties, both current and former to the agreement, would be jointly and severally liable for all obligations to the retirement system. The bill would also provide that if a judgment is rendered against an agency for a breach of its obligations, the time within which a claim or action for injury may be presented begins to run when the judgment is rendered. The bill would specify that those provisions apply retroactively to all parties, both current and former, to the joint powers agreement. The bill would require CalPERS to bring a civil action against any member agencies formed by an agreement under the Joint Exercise of Powers Act to compel payment of the terminated public agency's pension obligations.	Assembly Appropriation Committee	S
AB 3245 (Committee on Per&SS) Introduced Feb 22, 2018 Omnibus bill for clean-up of CalPERS Amended April 9, 2018	This bill is for "non-controversial" items to clean up legislation in the CalPERS laws. RPEA objected to several sections of the proposed law dealing with the financial categories of death benefits and the proposed removal of items able to be deducted from member's warrants.	Amended in the Assembly to remove sections objected to by RPEA. Passes Assembly to Senate	W
SB 562 (Lara) Introduced 2-17-17 The Healthy California Act	It is the intent of the Legislature to establish a comprehensive universal single-payer health care coverage program and a health care cost control system for the benefit of all residents of the state. And, to establish the Healthy California (HC) program to provide universal health coverage for every Californian based on his or her ability to pay and funded by broad-based revenue. Further for the state to work to obtain waivers and other approvals relating to Medi-Cal, the state's Children's Health Insurance Program, Medicare, the PPACA, and any other federal programs so that any federal funds and other subsidies that would otherwise be paid to the State of California, and health care providers would be paid by the federal government to the State of California and deposited in the Healthy California Trust Fund.	Passed the Senate to Assembly. Held at Desk. 2-year bill Assembly study committee formed	W₁
SB 1031 (Moorlach) Introduced 2/08/18 Public employees' retirement: cost-of-living adjustments: prohibitions	The bill would prohibit a public retirement system from making a cost-of-living adjustment to any allowance payable to, or on behalf of, a person retired under the system, or to any survivor or beneficiary of a member or person retired under the system, for any year beginning on or after January 1, 2019, in which the unfunded actuarial liability of that system is greater than 20%.	Senate Public Emp & Retirement FAILED in Cmte	O
SB 1032 (Moorlach) Introduced 2/08/18 California Public Employees' Retirement System: contract members: termination.	This bill would authorize a contracting agency to terminate its contract with the board at the agency's will and would not require the contracting agency to fully fund the board's pension liability upon termination of the contract. The bill would authorize the board to reduce the member's benefits in the terminated agency pool by the percentage of liability unfunded.	Senate Public Emp & Retirement FAILED in Cmte	O
SB 1149 (Glazer) Public employees' retirement: defined contribution program.	This bill would create a new optional defined contribution plan for new state employees who are eligible to become members of PERS and who choose not to make contributions into the defined benefit program under PERL. It would require state employees who opt to participate in this alternate system to contribute the same percent of compensation as similarly situated employees who contribute to the defined pension program, subject to federal law. After 5 years the option to have the right to continue in the program or switch to the defined benefit plan.	Senate Public Emp & Retirement FAILED in Cmte	O
Federal Legislation			
HR 1205 (Introduced 2-21-17) Rep. Rodney Davis (R. Ill) 142 cosponsors/37 frm Calif. Social Security Fairness Act 2017	Congressional bill to repeal the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO)	House Ways and Means Committee	S
S 915 (Introduced 4-24-17) Sen. Sherrod Brown (D.OH) 8 cosponsors Soc Sec Fairness Act 2017	Senate bill to repeal the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO)	Senate Committee on Finance	S

LEGISLATIVE SUPPORT POSITIONS: The following categories are used in your legislative summary reports:

SPONSOR – This is a sponsored or co-sponsored bill.

SUPPORT 1 (S1) – This is the highest priority support bill. We send a letter of support to the author, a letter of support to committee members considering the bill and undertake full lobbying to assure passage of the bill. We also closely monitor all amendments and constantly reevaluate our position.

SUPPORT 2 (S2) – This level of support is moderate. A letter is sent to the author and committee considering the bill, but there is usually less lobbying or testifying before committee. We also closely monitor all amendments and constantly reevaluate our position.

SUPPORT 3 (S3) – This is the lowest level of support. A letter of support is sent to the author. We closely monitor the bill for amendments.

OPPOSE (O) – Only those bills which are judged to be detrimental are given an oppose position. Such bills require aggressive opposition lobbying, often accompanied by efforts to gain amendments, in an effort to make the bill acceptable to RPEA, and therefore to remove our opposition.

WATCH 1 (W1) – This is a bill of more than casual interest. We actively monitor such bills and often communicate with the author, the author's staff, the legislative committee members and staff. We frequently seek clarifying amendments to bills in this category.

WATCH 2 (W2) – This is a bill of interest or concern on which we keep close tabs. It appears in the summary report.

? – This is a bill that will show up in our screening from time to time. It is important that we discuss the bill so that we are able to remove the question mark by either deleting the bill or by assigning one of the above positions.

Membership Update



By Rosemary Knox, Director of Membership

The Membership Committee met last December and made a commitment to finally put to rest our list of 66,600 prospective members, which was obtained from various sources. The Committee approved a tri-fold marketing brochure to be utilized as a mailer and set a 2018 kickoff date for this project. After a thorough analysis of the list we were able to identify 64,528 deliverable addresses, and the mailing was completed on March 27.

The results of the mailing have been amazing! So far, we have received approximately 700 new members—who clearly understand the importance of banding together to support RPEA's 60 years of successful efforts to defeat attacks on our pension system.

I send a big *"Thank You"* to my committee members, Al Darby, Ken Brown, William Wallace, Pat Fuller and Scott McGookin, along with the Headquarters Office staff, Office Manager Tanya Rakestraw, Radtana Lee, Corey Saeteurn and Teena Stone. Without their help we could not have tackled this project.

"We are active and retired California public employees working together to maintain and improve the quality of the lives of our members by protecting and improving retirement, medical and other benefits."



President's Report (cont'd. from page 2)

Recently, the Governance Committee agenda item proposing the elimination of the written transcription of Committee meetings was met head-on by RPEA Board members Jim Anderson, Director of Legislation; Vice President Darby and myself. After considerable comments, the agenda item was defeated.

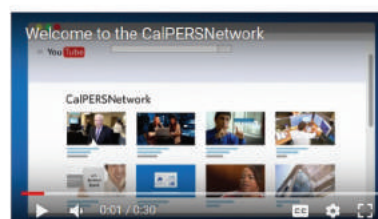
At the Pension & Health Committee meetings, RPEA Director of Health Benefits, Donna Snodgrass, has not been bashful when pointing out issues as well as bringing situational examples she has received from our members. Recently, her presentation resulted in an extended agenda at our own Board of Directors meeting. I have been very vocal about the inequality of how premiums are calculated for contract agencies. We've been assured that steps will be taken to look into changing this process. Time will tell, but I continue to ask when will the review start.

Both Al and I have spoken at length over the months—as recently as last month at the Finance &

Administration Committee meeting—about Assembly Bill 1912. See Al's Vice President's Op/Ed on page 3 of this issue.

These are just some examples of how active the RPEA Board of Directors is. We keep our eyes on the CalPERS Board. We continue to seek action that protects the members.

If you are interested, the CalPERS committee and Board meetings are telecast by CalPERS on the YouTube CalPERS Network at <https://www.youtube.com/user/CalPERSNetwork>.



Welcome to the CalPERSNetwork
26,730 views • 2 years ago
Learn about CalPERS retirement and health benefits, investments, Board of Administration, and more.

Chapter Happenings



Jim & Norm Stump



Bobbie

JIM GREGG AND BOBBIE SVIHUS HONORED BY CHAPTER 077

Jim Gregg and Bobbie Svihus were honored by Chapter 077-CHICO at its April 5 membership meeting. Jim received a Special Recognition Award that honored him for his 24 years of service on the Board as Chapter Legislative Chair. He also has served as State Legislative Chair and is a past Area Director. Bobbie received a Special Recognition Award for her 13 years of service as a Board member including Sunshine Chair. Special engraved plaques were presented to Jim and Bobbie by President Norm Stump.



Jim Anderson was guest speaker at the Chapter 044-POMONA meeting at Golden Corral in Ontario on Wednesday, April 11, 2018. (L-R) Assistant Area Director V, Bob Seigler; Jim Anderson; Alice Alexandre, Vice-President; Shirley Wofford, President; Richard Kurtz, Membership Chair)

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8 a.m. to 8 p.m.

Benefit Highlights for 2018

- **Silver&Fit®**
Exercise and
Healthy
Aging Program
- **Optional Dental
Coverage for
Public Agency
Retirees**

*Medicare evaluates plans based on a 5-star rating system. Star Ratings are calculated each year and may change one year to the next. Centers for Medicare & Medicaid Services Health Plan Management System, Plan Ratings 2018. Kaiser Permanente #H0524.

Benefits, premiums and/or copayments/coinsurance may change on January 1 of each year and at other times in accord with your group's contract with us. This information is not a complete description of benefits. Contact the plan for more information. Limitations, copayments, and restrictions may apply. The provider network may change at any time. You will receive notice when necessary. In California, Kaiser Permanente is an HMO plan and a Cost plan with a Medicare contract. Enrollment in Kaiser Permanente depends on contract renewal. You must reside in the Kaiser Permanente Medicare health plan service area in which you enroll.

This is a paid advertisement.

Joining RPEA Helps Us Support YOUR Retirement Security

RETIRED PUBLIC EMPLOYEES'

ASSOCIATION OF CALIFORNIA

Membership Application



Have a scanner app
on your smart phone?

Visit our website:
www.rpea.com



Join online!



Become a Member in Three Easy Steps!

STEP 1: Tell Us About Yourself

Your Name: _____ Date of Birth ____ / ____ / ____
☐ M ☐ F
Spouse Name: _____ ☐ M ☐ F Date of Birth ____ / ____ / ____
Is your spouse an additional applicant? ☐ Y ☐ N
Address: _____
City/State/Zip: _____
Phone: (____) ____ - ____ Email: _____
Retired From: _____ Retirement Date: _____
RPEA Chapter Number or Name if Known: _____
Referred By: _____

STEP 2: Select One Membership Type

- ☐ Retiree (CalPERS Annuitant) ☐ Beneficiary (Beneficiary of a CalPERS retiree)
☐ Affiliate (Still working for a Public Agency) ☐ Associate Member (Supporter of RPEA's goals)

STEP 3: Select One Payment Method

- ☐ **Option 1: MONTHLY CALPERS DEDUCTION:** I authorize the California Public Employees Retirement System (CalPERS) to deduct for each applicant on this form \$5.00 per month from my retirement allowance until revoked by me in writing. **Only available if one applicant is receiving a CalPERS retirement payment.**

Signature Social Security Number or CalPERS ID + Last 4 of SSN
- ☐ **Option 2: CHECK OR MONEY ORDER:** As payment for the first year's dues, I have attached a check or money order for \$60.00 (\$30.00 for affiliate membership) for each applicant on this form. I will be billed annually for subsequent renewals.
- ☐ **Option 3: CREDIT CARD AUTHORIZATION:** As payment for the first year's dues, I authorize \$60.00 for each applicant on this form (\$30.00 for affiliate membership) to be charged on my credit card. I will be billed annually for subsequent renewals.
Card Number: --- (MasterCard or Visa only)
Expiration Date: / CVV/CVC: (3 Digit code on the back of card)

Signature

RPEA/October/2017

THANK YOU for Joining RPEA!

RPEA
Headquarters Office:
(800-443-7732)

Return your completed application to:
RPEA • 300 T Street • Sacramento, CA 95811-6912



Why Join RPEA?

RPEA protects the interests of retirees at the state level to ensure your retirement remains secure. We retain a professional lobbyist who represents our interests before the Governor, Legislators and CalPERS Board. We also have access to a federal lobbyist who keeps us informed on federal retiree issues.

RPEA continues an active and ongoing relationship with CalPERS by serving on their Advisory Committee concerning CalPERS plans and proposals. We also monitor every CalPERS committee and frequently testify at these meetings on behalf of our members.

Every RPEA member receives a bi-monthly statewide newsletter with general information as well as legislative and health care updates.

Members also gain access to numerous member-only benefits including dental and vision plans and a wide array of merchant discount programs. For only \$5.00 a month you get even more back in benefit savings!



Retired Public Employees' Association of California (RPEA)
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Website: www.rpea.com
Facebook www.facebook.com/RPEACalifornia • Twitter @rpea_ca

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ROSTER OF 2016/2018 VOLUNTEER BOARD OF DIRECTORS

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VACANT	Area Director II				
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Wes Stonebreaker ANY TIME	Area Director VI	1060 Country Club Dr. Riverside, CA 92506	951 784 1060	951 781-3960	lindaandwes@aol.com
Dennis Cassella 8AM – 5PM	Area Director VII	205 Cypress Hill Dr. Grass Valley, CA 95945	530 272 2130	SAME (CALL FIRST)	ncdennisc@aol.com
Kathleen Collins ANY TIME	Area Director VIII	*****	562-884-8891	NONE	kcespresso@hotmail.com
Larry Sullivan ANYTIME	Area Director IX	1602 Sunset Gardens Rd. Albuquerque, NM 87105	505 242 4981	SAME (CALL FIRST)	houseofspirit@earthlink.net

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