

## 2019 Legislative Action Day

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### **2019 Legislation Seeking to Limit Local Flexibility and Add Costs**

Given the current financial circumstances facing cities, the League is actively advocating in opposition to measures that will increase local pension payments, mandated costs and restrict administrative flexibility—all of which reduce service levels and quality of life across the state.

### **Election Overhaul Will Lead to Hundreds of Millions of Dollars of Unfunded Mandates**

#### **AB 849 (Bonta) Elections and Redistricting Requirements**

Local agencies continue to strive to increase civic participation by finding innovative ways to engage the community. Each California community is different—each with their own unique challenges. AB 849 is a one size fits all approach that completely overhauls the way in which local agencies establish and modify their electoral districts. Specifically, AB 849:

- Overhauls all of the current criteria on how maps are drawn and adjusted, creating compliance challenges for local agencies;
- Requires up to 6 additional public hearings on how maps are drawn or adjusted;
- Mandates that all materials are published and made available in every applicable language as determined by the Census;
- Requires that live translation services be made available for all applicable languages as well as all minutes of each meeting be translated in all applicable languages;
- Mandates that meetings be held at nights and on the weekends;
- Requires that all agendas and notices for each of the public meetings be posted five days prior to a meeting – exceeding Brown Act requirements;
- Requires that all original draft maps be posted seven days prior to a meeting – exceeding Brown Act requirements;
- Should maps be adjusted, those maps must be reposted seven days prior to the next meeting – exceeding Brown Act requirements; and
- Requires that the agency post all information and host said information for 10 years on their website.

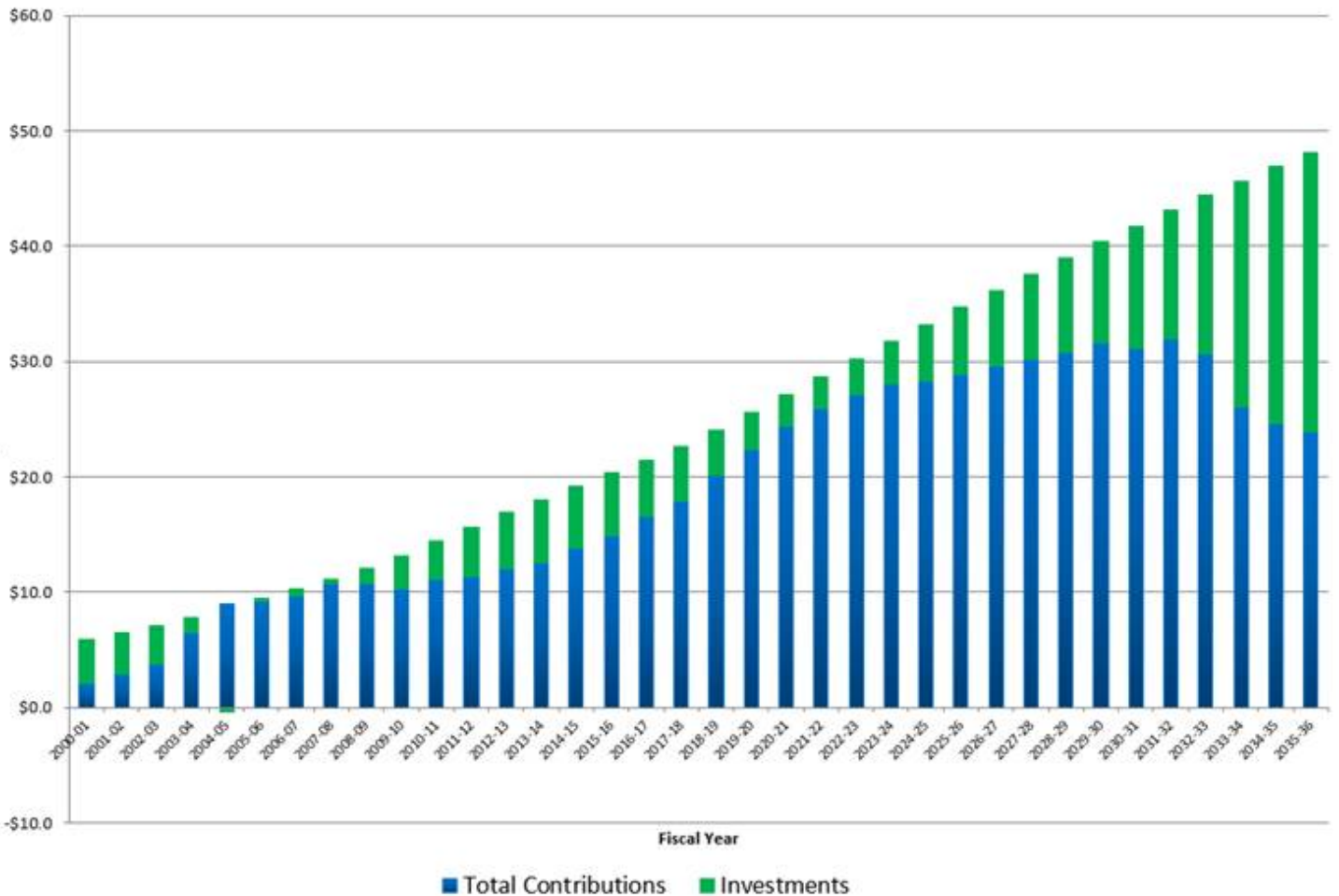
While we understand the need to continue to engage with our communities to ensure equitable representation—AB 849 will lead to hundreds of millions of dollars in unfunded or suspended state mandates which will have a direct impact on city services.

League Position: Oppose

### **Soaring Retirement Costs Continue to Crowd out Public Services**

The League remains steadfast in its advocacy for policies that promote and support local governments in their work to maintain sustainable and healthy finances—as good stewards of taxpayer dollars. Retirement related costs have sky rocketed—far outpacing revenues received. Over the past decade, pension expenses have increased substantively for municipal governments across California. As CalPERS continues to implement its strategic goal of improving the long-term sustainability of the system, all actions to further reduce risk have resulted in increased costs to state and local agencies. **As shown on the chart (over) provided by CalPERS, contributions are rapidly increasing now and will continue to increase year over year, peaking in 2032 (blue bar equals contribution increases, green bar equals investment returns).** As such, the League must remain opposed to all measures that seek to increase unfunded retirement liabilities and create investment barriers for the CalPERS investment team.

## Historical & Projected PERF Contributions & Investments for Benefit Payments



**CalPERS Divestment Measures:** Divestment measures are intently difficult and politically sensitive topics. The League does not oppose divestment measures based on the merit of the cause which is being debated—rather our objection is rooted in securing the retirement stability of 1.9 million active and retired California public employees. Simply stated, divestment does not prove to be an effective vehicle for social or corporate change. To date, CalPERS estimates that divestitures have cost the fund roughly *\$10 billion dollars* in unrealized returns—and that number continues to grow. To cover the losses, employer and employee contributions have risen and CalPERS continues to liquidate valuable assets to pay the bills. The following measures call for additional divestments:

### **AB 33 (Bonta) Public Employee Retirement Systems: Prohibited Investments: Private Prison Companies**

This measure would require the pension fund to divest from the private prison industry. The CalPERS Board recently adopted an oppose position on AB 33.

League Position: Oppose

### **AB 1320 (Nazarian) Public Employee Retirement Systems: Prohibited Investments: Turkey**

This measure would require the pension fund to divest from the Republic of Turkey until such time that they acknowledge the Arminian genocide. The CalPERS Board recently adopted an oppose position on AB 1320.

League Position: Oppose