

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM  
BOARD OF RETIREMENT  
2223 E. WELLINGTON AVENUE, SUITE 100  
SANTA ANA, CALIFORNIA**

**REGULAR MEETING  
Monday, May 16, 2022  
9:30 A.M.**

Pursuant to Assembly Bill 361, signed into law on September 16, 2021 as urgency legislation; Governor Newsom’s Proclamation of a State of Emergency on March 4, 2020, which Proclamation is still in effect; and Board of Retirement Resolution 2022-04, this meeting will be conducted by video/teleconference, in compliance with Government Code section 54953 as amended by Assembly Bill 361. In addition, members of the Board and the public are welcome to participate in the meeting via Zoom from the OCERS Boardroom located at 2223 E. Wellington Ave., Santa Ana, CA. However, none of the other locations from which the Board members participate by teleconference will be open to the public.

Members of the public who wish to observe and/or participate in the meeting may do so (1) from the OCERS Boardroom or (2) via the Zoom app or telephone from any location. Members of the public who wish to provide comment during the meeting may do so by “raising your hand” in the Zoom app, or if joining by telephone, by pressing \* 9 on your telephone keypad. Members of the public who participate in the meeting from the OCERS Boardroom and who wish to provide comment during the meeting may do so from the podium located in the OCERS Boardroom.

OCERS Zoom Video/Teleconference information	
<p><b>Join Using Zoom App (Video &amp; Audio)</b></p> <p><a href="https://ocers.zoom.us/j/81896886868">https://ocers.zoom.us/j/81896886868</a></p> <p><b>Meeting ID: 818 9688 6868</b> <b>Password: 415358</b></p> <p>Go to <a href="https://www.zoom.us/download">https://www.zoom.us/download</a> to download Zoom app before meeting Go to <a href="https://zoom.us">https://zoom.us</a> to connect online using any browser.</p>	<p><b>Join by Telephone (Audio Only)</b></p> <p>Dial by your location</p> <p>+1 669 900 6833 US (San Jose) +1 346 248 7799 US (Houston) +1 253 215 8782 US +1 301 715 8592 US +1 312 626 6799 US (Chicago) +1 929 436 2866 US (New York)</p> <p><b>Meeting ID: 818 9688 6868</b> <b>Password: 415358</b></p>
<p>A <a href="#">Zoom Meeting Participant Guide</a> is available on OCERS website <a href="#">Board &amp; Committee meetings page</a></p>	

**AGENDA**

The Orange County Board of Retirement welcomes you to this meeting. This agenda contains a brief general description of each item to be considered. The Board of Retirement may take action on any item included in the following agenda; however, except as otherwise provided by law, no action shall be taken on any item not appearing on the agenda. The Board of Retirement may consider matters included on the agenda in any order, and not necessarily in the order listed.

Orange County Employees Retirement System  
May 16, 2022  
Regular Board Meeting

**CALL MEETING TO ORDER AND ROLL CALL**

**PLEDGE OF ALLEGIANCE**

**OATH OF OFFICE – WAYNE LINDHOLM**

Administered by Clerk of the Board, Robin Stieler

**PUBLIC COMMENTS**

At this time, members of the public may comment on (1) matters not included on the agenda, provided that the matter is within the subject matter jurisdiction of the Board; and (2) any matter appearing on the Consent Agenda. Members of the public who wish to provide comment at this time may do so by “raising your hand” in the Zoom app, or if joining by telephone, by pressing \* 9 on your telephone keypad. When addressing the Board, please state your name for the record prior to providing your comments. Speakers will be limited to three (3) minutes.

In addition, public comment on matters listed on this agenda will be taken at the time the item is addressed.

**CONSENT AGENDA**

All matters on the Consent Agenda are to be approved by one action unless a Board Member requests separate action on a specific item.

**BENEFITS**

**C-1 OPTION 4 RETIREMENT ELECTION**

**Recommendation:** Grant election of retirement benefit payment, Option 4, based on Segal Consulting’s actuarial report.  
Σ Glenn Mitchell

**ADMINISTRATION**

**C-2 BOARD MEETING MINUTES**

Regular Board Meeting Minutes April 18, 2022

**Recommendation:** Approve minutes.

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**DISABILITY/MEMBER BENEFITS AGENDA**

**NOTE: WHEN CONSIDERING DISABILITY RETIREMENT APPLICATIONS OR MEMBER APPEALS OF BENEFIT OR DISABILITY RETIREMENT DETERMINATIONS, THE BOARD MAY ADJOURN TO CLOSED SESSION TO DISCUSS MATTERS RELATING TO THE MEMBER'S APPLICATION OR APPEAL, PURSUANT TO GOVERNMENT CODE SECTIONS 54957 OR 54956.9. IF THE MATTER IS A DISABILITY APPLICATION UNDER SECTION 54957, THE MEMBER MAY REQUEST THAT THE DISCUSSION BE IN PUBLIC.**

**OPEN SESSION**

**CONSENT ITEMS**

All matters on the Consent Agenda are to be approved by one action unless a Board member requires separate action on a specific item. If separate action is requested, the item will be discussed in closed session during agenda item DA-1.

**DC-1: EDWARD CORTEZ**

Journeyman, Orange County Transportation Authority (General Member)

**Recommendation:** The Disability Committee recommends that the Board:

- ∑ Grant service connected disability retirement.
- ∑ Set the effective date as June 21, 2020.

**DC-2: WILLIAM FITZGERALD**

Sergeant, Orange County Sheriff's Department (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- ∑ Grant service connected disability retirement.
- ∑ Set the effective date as February 22, 2021.

**DC-3: SABRINA HOLT-TORRES**

Coach Operator, Orange County Transportation Authority (General Member)

**Recommendation:** The Disability Committee recommends that the Board:

- ∑ Grant service connected disability retirement.
- ∑ Set the effective date as December 9, 2018.

**DC-4: JEANETTE LANG**

Coach Operator, Orange County Transportation Authority (General Member)

**Recommendation:** The Disability Committee recommends that the Board:

- ∑ Deny service and non-service connected disability retirement due to insufficient evidence of permanent incapacity.

**DC-5: IBETT QUINONES**

Eligibility Technician, Orange County Social Services Agency (General Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Σ Grant non-service connected disability retirement.
- Σ Set the effective date as August 30, 2019.

**CLOSED SESSION**

**Government Code section 54957**

**Adjourn to Closed Session under Government Code section 54957 to consider member disability applications and to discuss member medical records submitted in connection therewith. The applicant may waive confidentiality and request his or her disability application to be considered in Open Session.**

**DA-1 INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE DISABILITY/MEMBER BENEFITS CONSENT AGENDA**

**OPEN SESSION**

**REPORT OF ACTIONS TAKEN IN CLOSED SESSION**

**ACTION ITEMS**

**NOTE:** Public comment on matters listed in this agenda will be taken at the time the item is addressed, prior to the Board’s discussion of the item. **Persons attending the meeting in person and wishing to provide comment on a matter listed on the agenda should fill out a speaker card located at the back of the Boardroom and deposit it in the Recording Secretary’s box located near the back counter.**

**A-1 INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA**

**A-2 BOARD FINDINGS PURSUANT TO GOVERNMENT CODE § 54953, AS AMENDED BY AB 361, AND ADOPTION OF BOARD RESOLUTION 2022-05**

**Recommendation:** That the Board:

(1) Reconsider the circumstances of the state of emergency resulting from the COVID-19 pandemic and determine whether:

- i. The state of emergency continues to directly impact the ability of the members of the Board to meet safely in person; and/or
- ii. State or local officials continue to impose or recommend measures to promote social distancing; and

(2) If the Board so determines, adopt Board of Retirement Resolution 2022-05 to reflect such findings pursuant to Government Code section 54953, as amended by AB 361.



**INFORMATION ITEMS**

Each of the following informational items will be presented to the Board for discussion.

**Presentations**

- I-1 PRELIMINARY DECEMBER 31, 2021 ACTUARIAL VALUATION**  
*Presentation by Paul Angelo, Senior Vice President, Actuary, Segal and Andy Yeung, Segal Consulting*
- I-2 BROWN ACT TRAINING**  
*Presentation by Gina Ratto, General Counsel, OCERS and Manuel Serpa, Legal Counsel, OCERS*
- I-3 COVID-19 UPDATE**  
*Presentation by Steve Delaney, Chief Executive Officer, OCERS*

**WRITTEN REPORTS**

The following are written reports that will not be discussed unless a member of the Board requests discussion.

- R-1 MEMBER MATERIALS DISTRIBUTED**  
Written Report  
  
Application Notices May 16, 2022  
Death Notices May 16, 2022
- R-2 COMMITTEE MEETING MINUTES**  
- February 2022 Governance Committee Minutes
- R-3 CEO FUTURE AGENDAS AND 2022 OCERS BOARD WORK PLAN**  
Written Report
- R-4 QUIET PERIOD – NON-INVESTMENT CONTRACTS**  
Written Report
- R-5 BOARD COMMUNICATIONS**  
Written Report
- R-6 LEGISLATIVE UPDATE**  
Written Report
- R-7 OCERS FALL ELECTION UPDATE**  
Written Report
- R-8 GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

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Written Report

**R-9 FIRST QUARTER 2022 BUDGET TO ACTUALS REPORT**

Written Report

**R-10 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THREE MONTHS ENDED MARCH 31, 2022**

Written Report

**BOARD MEMBER COMMENTS**

**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS**

**COUNSEL COMMENTS**

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**ADJOURNMENT: (IN MEMORY OF THE ACTIVE MEMBERS, RETIRED MEMBERS, AND SURVIVING SPOUSES WHO PASSED AWAY THIS PAST MONTH)**

**NOTICE OF NEXT MEETINGS**

**INVESTMENT COMMITTEE MEETING**

**May 25, 2022  
9:30 A.M.**

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM  
2223 E. WELLINGTON AVENUE, SUITE 100  
SANTA ANA, CA 92701**

**AUDIT COMMITTEE MEETING**

**June 2, 2022  
9:30 A.M.**

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM  
2223 E. WELLINGTON AVENUE, SUITE 100  
SANTA ANA, CA 92701**

**DISABILITY COMMITTEE MEETING**

**June 20, 2022  
8:30 A.M.**

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM**

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**2223 E. WELLINGTON AVENUE, SUITE 100  
SANTA ANA, CA 92701**

**REGULAR BOARD MEETING  
June 20, 2022  
9:30 A.M.**

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM  
2223 E. WELLINGTON AVENUE, SUITE 100  
SANTA ANA, CA 92701**

*AVAILABILITY OF AGENDA MATERIALS - Documents and other materials that are non-exempt public records distributed to all or a majority of the members of the OCERS Board or Committee of the Board in connection with a matter subject to discussion or consideration at an open meeting of the Board or Committee of the Board are available at the OCERS' website: <https://www.ocers.org/board-committee-meetings>. If such materials are distributed to members of the Board or Committee of the Board less than 72 hours prior to the meeting, they will be made available on the OCERS' website at the same time as they are distributed to the Board or Committee members. Non-exempt materials distributed during an open meeting of the Board or Committee of the Board will be made available on the OCERS' website as soon as practicable and will be available promptly upon request.*

It is OCERS' intention to comply with the Americans with Disabilities Act ("ADA") in all respects. If, as an attendee or participant at this meeting, you will need any special assistance beyond that normally provided, OCERS will attempt to accommodate your needs in a reasonable manner. Please contact OCERS via email at [adminsupport@ocers.org](mailto:adminsupport@ocers.org) or call 714-558-6200 as soon as possible prior to the meeting to tell us about your needs and to determine if accommodation is feasible. We would appreciate at least 48 hours' notice, if possible. Please also advise us if you plan to attend meetings on a regular basis.

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM  
BOARD OF RETIREMENT  
2223 E. WELLINGTON AVENUE, SUITE 100  
SANTA ANA, CALIFORNIA**

**REGULAR MEETING  
Monday, April 18, 2022  
9:30 a.m.**

**MINUTES**

Chair Eley called the meeting to order at 9:30 a.m.

Recording Secretary administered the Roll Call attendance.

Attendance was as follows:

Present via Zoom Video conference pursuant to Government Code § 54953, as amended by AB 361:

Frank Eley, Chair; Richard Oates, Adele Tagaloa, Charles Packard, Chris Prevatt, Arthur Hidalgo, Wayne Lindholm, and Shari Freidenrich

Also Present via Zoom: Steve Delaney, Chief Executive Officer; Brenda Shott, Assistant CEO, Internal Operations; Suzanne Jenike, Assistant CEO, External Operations; Molly A. Murphy, CFA, Chief Investment Officer; Gina Ratto, General Counsel; Anthony Beltran, Audio-Visual Technician; Cammy Torres, Recording Secretary

Guests via Zoom: Harvey Leiderman, ReedSmith

Absent: Shawn Dewane, Vice Chair; Jeremy Vallone

**CONSENT AGENDA**

Chair Eley pulled Consent Agenda item C-3 to allow for discussion by the Board.

**MOTION** by Mr. Oates, **seconded** by Mr. Packard, to approve staff’s recommendations on Consent Agenda items, C-1, C-2, and C-4:

The motion passed **unanimously**.

**BENEFITS**

**C-1 OPTION 4 RETIREMENT ELECTION**

**Recommendation:** Grant election of retirement benefit payment, Option 4, based on Segal Consulting’s actuarial report.

1. Alfred Laschober

**ADMINISTRATION**

**C-2 BOARD MEETING MINUTES**

Regular Board Meeting Minutes

March 21, 2022

**Recommendation:** Approve minutes.

**C-3 BOARD FINDINGS PURSUANT TO GOVERNMENT CODE § 54953, AS AMENDED BY AB 361, AND ADOPTION OF BOARD RESOLUTION 2022-03**

**Recommendation:** That the Board:

(1) Reconsider the circumstances of the state of emergency resulting from the COVID-19 pandemic and determine whether:

- i. The state of emergency continues to directly impact the ability of the members of the Board to meet safely in person; and/or
- ii. State or local officials continue to impose or recommend measures to promote social distancing; and

(2) If the Board so determines, adopt Board of Retirement Resolution 2022-04 to reflect such findings pursuant to Government Code section 54953, as amended by AB 361.

**C-4 RETIREE REQUEST TO BE REINSTATED – WILLIAM ZIDBECK**

**Recommendation:** Reinstate Mr. Zidbeck as an active member under the provisions of Government Code Section 31680.4 and 31680.5

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**DISABILITY/MEMBER BENEFITS AGENDA**

**CONSENT ITEMS**

**MOTION** by Lindholm, **seconded** by Packard, to approve staff’s recommendations on all of the following items on the Disability/Member Benefits Consent Agenda:

The motion passed **unanimously**.

**DC-1: STEVEN BADEN**

Deputy Sheriff I, Orange County Sheriff’s Department (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- ∑ Grant service connected disability retirement per Government Code Section 31720.6.
- ∑ Set the effective date as the day after the last day of regular compensation.

**DC-2: GEORGE CASARIO**

Battalion Chief, Orange County Fire Authority (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- ∑ Grant Service connected disability retirement.
- ∑ Set the effective date as December 18, 2020.

**DC-3: DONNA CORRAL**

Deputy Juvenile Correctional Officer II, Orange County Probation Department (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- ∑ Grant service connected disability retirement.
- ∑ Set the effective date as October 9, 2020.

**DC-4: ROBERT DAVIDSON**

Firefighter, Orange County Fire Authority (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- ∑ Deny service and non-service connected disability retirement without prejudice due to the member's failure to cooperate.

**DC-5: MELISSA GUTIERREZ-KAUFMAN**

Coach Operator, Orange County Transportation Authority (General Member)

**Recommendation:** The Disability Committee recommends that the Board:

- ∑ Grant service connected disability retirement.
- ∑ Set the effective date as December 22, 2019.

**DC-6: JASON HALL**

Deputy Sheriff I, Orange County Sheriff's Department (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- ∑ Grant service connected disability retirement.
- ∑ Set the effective date as the day after the last day of regular compensation.

**DC-7: ROSEMARY HARVEY**

Coach Operator, Orange County Transportation Authority (General Member)

**Recommendation:** The Disability Committee recommends that the Board:

- ∑ Deny service and non-service connected disability retirement due without prejudice due to member's failure to cooperate.

**DC-8: AMY LINDQUIST**

Deputy Sheriff I, Orange County Sheriff's Department (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Σ Grant service connected disability retirement.
- Σ Set the effective date as the day after the last day of regular compensation.

**DC-9: JOHN MANNING**

Fire Apparatus Engineer, Orange County Fire Authority (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Σ Deny service connected disability retirement due to insufficient evidence of permanent incapacity.

**DC-10: ALEJANDRO SILVA**

Sergeant, Orange County Sheriff's Department (Safety Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Σ Grant service connected disability retirement per Government Code Section 31720.5.
- Σ Set the effective date as the day after the last day of regular compensation.

**DC-11: MICHELLE WACHTER**

Coach Operator, Orange County Transportation Authority (General Member)

**Recommendation:** The Disability Committee recommends that the Board:

- Σ Deny service connected disability retirement due to insufficient evidence of permanent incapacity and job causation.

**ACTION ITEMS**

**DA-1: INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE DISABILITY/MEMBER BENEFITS CONSENT AGENDA**

**DA-2: BOARD HEARING PURSUANT TO SUBDIVISION (d) OF SECTION 31534 OF THE GOVERNMENT CODE IN THE MATTER OF THE RETIREMENT BENEFIT APPEAL OF ROBERT S. SZEWCZYK AND RODNEY I. MORIKAWA, APPLICANTS**

**Recommendation:** The Board of Retirement will conduct a hearing pursuant to subdivision (d) of section 31534 of the California Government Code In the Matter of the Retirement Appeal of Robert S. Szewczyk and Rodney I. Morikawa, Applicants, and will:

- (1) Accept the record that was presented to Hearing Officer Duane Bennett in the administrative hearing that was conducted in this matter together with written briefs and additional evidence submitted by the parties;
- (2) In lieu of taking testimony at the Board meeting/hearing on April 18, 2022, accept the transcript of the hearing that was held on April 26, 27 and 29, 2021 before Hearing Officer Duane Bennett;
- (3) Hear oral argument from the parties; and

- (4) Consider all such transcripts, administrative records, parties’ briefs, additional evidence submitted with the briefs, and oral argument by the parties and decide the matter as if it had not been referred to the Hearing Officer.

Ms. Dawn Matsuo presented arguments on behalf of OCERS, and Mr. Jacob Kalinski presented arguments on behalf of his clients.

**MOTION** by Mr. Prevatt, **seconded** by Ms. Tagaloa to approve staff recommendations for the process of the Board’s re-evaluation of Disability/Member Service Agenda item, DA-2.

The motion passed 7-1 in favor of the motion.

<u>Yea</u>	<u>Nay</u>
Mr. Eley	Mr. Oates
Mr. Lindholm	
Ms. Tagaloa	
Mr. Packard	
Mr. Hidalgo	
Mr. Prevatt	
Ms. Freidenrich	

**Recommendation:** As set forth in OCERS’ Reply to Applicants’ Supplemental Brief, that the Board of Retirement decide this matter by affirming staff’s calculation of Applicants’ retirement allowances which excluded from their compensation earnable the half hour of overtime pay received by Applicants because:

- (1) The law excludes from compensation earnable pay for services rendered outside normal working hours;
- (2) The services rendered by Applicants during the half hour in question were **not** rendered during normal working hours because the half hour was not ordinarily worked by all persons in the Deputy Sheriff II grade/class/rate of pay during the period in question; and
- (3) Applicants’ grade/class/rate of pay is that of Deputy Sheriff II, not a hybrid of two different County classifications.

**MOTION** by Chair Eley, **seconded** by Mr. Packard to adopt staff recommendations as set forth in OCERS’ Reply to Applicants’ Supplemental Brief.

The motion passed 7-1 in favor of the motion.

<u>Yea</u>	<u>Nay</u>
Mr. Eley	Mr. Oates
Mr. Lindholm	
Ms. Tagaloa	
Mr. Packard	
Mr. Hidalgo	
Mr. Prevatt	
Ms. Freidenrich	

**END OF DISABILITY/MEMBER BENEFITS AGENDA**

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The Board recessed for break at 12:05 p.m.

The Board reconvened from break at 12:40 p.m.

Recording Secretary administered the Roll Call attendance.

**ACTION ITEMS:**

**A-1 INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA**

**C-3 BOARD FINDINGS PURSUANT TO GOVERNMENT CODE § 54953, AS AMENDED BY AB 361, AND ADOPTION OF BOARD RESOLUTION 2022-03**

**Recommendation:** That the Board:

(1) Reconsider the circumstances of the state of emergency resulting from the COVID-19 pandemic and determine whether:

- iii. The state of emergency continues to directly impact the ability of the members of the Board to meet safely in person; and/or
- iv. State or local officials continue to impose or recommend measures to promote social distancing; and

(2) If the Board so determines, adopt Board of Retirement Resolution 2022-04 to reflect such findings pursuant to Government Code section 54953, as amended by AB 361.

The Board moved to adopt Board of Retirement Resolution 2022-04 and will move to a hybrid model in May 2022.

**MOTION** by Mr. Oates, **seconded** by Mr. Packard, to approve the recommendation on Consent Agenda item, C-3.

The motion passed **unanimously**.

**A-2 SACRS BOARD OF DIRECTORS ELECTION 2022-2023 – DIRECTION TO OCERS’ VOTING DELEGATE**

*Presentation by Gina Ratto, General Counsel, OCERS*

**Recommendation:** Consider the SACRS Nominating Committee’s recommended slate of candidates and the list of additional candidates interested in running for the election of SACRS Directors; and give direction to OCERS’ Voting Delegate and Alternate Delegates for the SACRS Board of Directors election to be held during the SACRS Spring Conference on May 13, 2022.

**MOTION** by Mr. Packard, **seconded** by Ms. Freidenrich, to approve staff’s recommendation on Action Item A-2.

**The motion passed unanimously.**

**A-3 OCERS BUILDING COMMITTEE DIRECTION**

*Presentation by Brenda Shott, Assistant CEO of Internal Operations, OCERS*

Recommendation: Approve issuance of an RFI to develop the existing OCERS properties for the future use of a new OCERS headquarters and other best use of the properties.

**MOTION** by Mr. Prevatt, **seconded** by Mr. Lindholm, to approve staff’s recommendation on Action Item A-3.

**The motion passed unanimously.**

**INFORMATIONAL ITEMS**

**Presentations**

**I-1 ANNUAL FIDUCIARY EDUCATION**

*Presentation by Harvey Leiderman, ReedSmith, LLP*

Mr. Leiderman gave an educational presentation on the Board’s fiduciary obligations and other hot button topics.

**I-2 BROWN ACT TRAINING**

*Presentation by Gina Ratto, General Counsel, OCERS and Manuel Serpa, Legal Counsel, OCERS*

Item moved to May 2022 meeting.

**I-3 COVID-19 UPDATE**

*Presentation by Steve Delaney, Chief Executive Officer, OCERS*

Mr. Delaney provided the monthly COVID-19 update, informing the Board of Retirement that OCERS staff had returned to The Headquarters building on a hybrid basis (three days in office, two days worked virtually) as of March 11, 2022. The building would remain closed to the public until May 2, 2022

**Written Reports**

No written reports were pulled for discussion.

**R-1 MEMBER MATERIALS DISTRIBUTED**

Written Report

Application Notices

April 18, 2022

Death Notices

April 18, 2022

**R-2 COMMITTEE MEETING MINUTES**

- 08-13-2021 – Building Committee Meeting Minutes
- 01-27-2022 – Audit Committee Meeting Minutes
- 02-07-2022 – Personnel Committee Meeting Minutes
- 02-22-2022 – Disability Committee Meeting Minutes

**R-3 CEO FUTURE AGENDAS AND 2022 OCERS BOARD WORK PLAN**

Written Report

Orange County Employees Retirement System  
March 21, 2022  
Regular Board Meeting – Minutes

**R-4 QUIET PERIOD – NON-INVESTMENT CONTRACTS**  
Written Report

**R-5 BOARD COMMUNICATIONS**  
Written Report

**R-6 LEGISLATIVE UPDATE**  
Written Report

**R-7 FIRST QUARTER REVIEW OF OCERS 2022-2024 STRATEGIC PLAN**  
Written Report

**CIO COMMENTS**

Ms. Murphy updated the board on the status of current investments in conjunction with inflation and other hot topics.

**CHIEF EXECUTIVE OFFICER**

N/A

**STAFF COMMENTS**

Ms. Jenike gave a brief update on the Final Average Salary project, for those with less than 3 years of service or part time employment

**COUNSEL COMMENTS**

N/A

**BOARD MEMBER COMMENTS**

Ms. Tagaloa expressed her appreciation for the meaningful work of OCERS and the Board.

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Meeting **ADJOURNED** at 2:21 p.m.

Submitted by:

Approved by:

\_\_\_\_\_  
Steve Delaney  
Secretary to the Board

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Frank Eley  
Chairman

**REVISED – MAY 10, 2022**

## Memorandum

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**DATE:** May 16, 2022  
**TO:** Members of the Board  
**FROM:** Gina M. Ratto, General Counsel  
**SUBJECT:** **BOARD FINDINGS PURSUANT TO GOVERNMENT CODE § 54953, AS AMENDED BY AB 361, AND ADOPTION OF BOARD RESOLUTION 2022-05**

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### Recommendation

That the Board:

- (1) Reconsider the circumstances of the state of emergency resulting from the COVID-19 pandemic and determine whether:
  - i. The state of emergency continues to directly impact the ability of the members of the Board to meet safely in person; and/or
  - ii. State or local officials continue to impose or recommend measures to promote social distancing; and
- (2) If the Board so determines, adopt Board of Retirement Resolution 2022-05 to reflect such findings pursuant to Government Code section 54953, as amended by AB 361.

### Background/Discussion

In March of 2020, amid rising concern surrounding the spread of COVID-19 throughout communities in the state, Governor Newsom declared a state of emergency and issued a series of Executive Orders that modified certain requirements of the Brown Act. The orders waived several requirements for meetings conducted by teleconference, including the requirement that each teleconference location be accessible to the public, that agendas are posted at all teleconference locations, and that each teleconference location be accessible to the public.

On June 11, 2021, the Governor issued Executive Order N-08-21, rescinding the aforementioned modifications of the Brown Act effective September 30, 2021. On September 16, 2021, Assembly Bill 361 was signed into law as urgency legislation. AB 361 provides local agencies with the ability to meet remotely during proclaimed states of emergency under modifications to the Brown Act that are similar in many ways to the rules and procedures established by the Governor's Executive Orders. On September 20, 2021, the Governor signed an executive order waiving the application of AB 361 until October 1, 2021.

AB 361 amended the teleconference rules of the Brown Act and added new provisions for abbreviated teleconferencing procedures that deviate from the traditional teleconferencing procedures during a proclaimed state of emergency, subject to certain requirements specified in the statute.

More specifically, AB 361 amended the Brown Act to add subdivision (e) to Gov't Code § 54953. This subdivision describes the circumstances and procedures for adopting abbreviated teleconferencing procedures during a

**REVISED – MAY 10, 2022**

proclaimed state of emergency, such as the current continuing COVID-19 pandemic. Subdivision (e)(1) of the statute provides the circumstances and requirements under which a local legislative body may adopt the abbreviated teleconferencing procedures. Once a local legislative body meets the requirements for adopting teleconferencing procedures, subdivision (e)(2) provides the requirements for the abbreviated teleconferencing procedures that the local legislative body must implement.

#### **Adopting Abbreviated Teleconferencing Procedures Under AB 361**

A local legislative body, such as OCERS and its standing committees, may elect to use the abbreviated teleconferencing procedures under AB 361 where a state of emergency has been formally proclaimed, ***provided that:***

- State or local officials have imposed or recommended measures to promote social distancing at the time the legislative body holds the meeting (Gov't Code § 54953(e)(1)(A)); ***or***
- The legislative body holds a meeting for the first time for the purpose of determining by majority vote whether, as a result of proclaimed state of emergency, meeting in person would present imminent risks to the health and safety of attendees (Gov't Code § 54953(e)(1)(B)), ***or***
- The legislative body has determined (per previous bullet) that, as a result of the proclaimed state of emergency, meeting in person would continue to present imminent risks to the health or safety of attendees (Gov't Code § 54953(e)(1)(C)).

AB 361 further imposes on local legislative bodies a duty to make factual findings to justify the election to continue to use the abbreviated teleconferencing procedures. (Gov't Code § 54953(e)(3).) Local legislative bodies who wish to consider using the AB 361 abbreviated teleconferencing procedures must make the following factual findings within 30 days after teleconferencing for the first time after the expiration of Executive Order N-29-20, and every 30 days thereafter:

- 1) The legislative body has reconsidered the circumstances of the state of emergency; and
- 2) One or both of the following circumstances exist:
  - a. The state of emergency continues to directly impact the ability of the members to meet safely in person.
  - b. State or local officials continue to impose or recommend measures to promote social distancing.

Until January 1, 2024, public retirement boards and their Boards must reconsider the aforementioned circumstances and make factual findings by majority vote that the circumstances continue to exist in order for the local legislative body to elect and continue to use the abbreviated teleconferencing procedures. (Note that AB 361 was designed not only to deal with COVID-19 but also with other types of states of emergency, as defined in Gov't Code § 8625 of the California Emergency State Services Act.)

On April 18, 2022, the Board adopted Resolution 2022-04 to reflect the findings made by the Board pursuant to AB 361. Staff recommends the Board now reconsider the circumstances of the state of emergency resulting from the COVID-19 pandemic, and if the Board determines the state of emergency continues to directly impact the ability of the members of the Board to meet safely in person and/or state or local officials continue to

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impose or recommend measures to promote social distancing, that the Board renew its findings and adopt Resolution 2022-05 in order for the Board and its committees to continue to meet by teleconference.

### **Reconsideration of the State of Emergency and Requisite Findings**

The standards, guidance and recommendations of health officials set forth below support a determination by the Board that the state of emergency continues to directly impact the ability of the members of the Board and its committees to meet safely in person, and confirms that both state and local officials continue to impose or recommend measures to promote social distancing.

The COVID-19 Prevention Emergency Temporary Standards issued by the California Division of Occupational Safety and Health (Cal/OSHA) (codified at 8 C.C.R. § 3205-~~3205.4~~) ~~recommends~~ recognizes that physical distancing decreases the spread of COVID-19 and requires it be considered under certain circumstances. For example, the Emergency Temporary Standards require employers to evaluate whether to implement physical distancing of at least six feet between persons or, where six feet of physical distancing is not feasible, as much distance between persons as feasible, when there has been an outbreak at the workplace (an "outbreak" is when there has been three or more COVID-19 cases at the workplace during a 14-day period). ~~exclude from the workplace employees who had a close contact ("close contact" means being within six feet of a COVID-19 case for a cumulative total of 15 minutes or greater in any 24-hour period)~~ until certain specified requirements are met, except that ~~employees who were fully vaccinated before the close contact and who do not develop COVID-19 symptoms do not need to be excluded if they wear a face covering and maintain six feet of distance from others at the workplace for 14 days following the last date of close contact.~~ On December 16, 2021, On May 6, 2022, the Occupational Safety and Health Standards Board readopted the Cal/OSHA COVID-19 Prevention Emergency Temporary Standards for the ~~third~~ second time. The draft emergency standards include important revisions to make the workplace rules consistent with the latest requirements and recommendations from the California Department of Public Health (CDPH). The revised emergency standards were to be effective commencing ~~May 6, 2022~~ January 14, 2022; however, as of the date of this memorandum, the final revised emergency standards had not yet been published. A fact sheet about the revised emergency standards is attached to the Resolution.

In addition, OSHA has issued guidance on mitigating and preventing the spread of COVID-19 in the workplace that recommends physical distancing in all communal work areas for unvaccinated and otherwise at-risk workers: "[a] **key way to protect such workers is to physically distance** them from other such people (workers or customers) – generally **at least 6 feet of distance is recommended**, although this is not a guarantee of safety, especially in enclosed or poorly ventilated spaces." (Emphasis added.) The **CDC currently recommends that individuals who are not up to date on their COVID-19 vaccines stay six feet away from others when indoors in public, especially if they are at higher risk of getting very sick from COVID-19.**

Moreover, the County of Orange Health Officer's "Orders and Strong Recommendations" (revised March 24, 2022) states at page 13 that, "[i]n general, the older a person is, the more health conditions a person has, and the more severe the conditions, the more important it is to take preventive measures for COVID-19 such as getting vaccinated, including boosters, **social distancing** and wearing a mask when around people who don't live in the same household, and practicing hand hygiene." (Emphasis added.) The Health Officer also recognizes, at

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page 15 of the “Orders and Strong Recommendations”, the Center for Disease Control's admonition that anyone infected with COVID-19 can spread it even if they do not have symptoms; and (at page 15) that **“the current consensus among public health officials for slowing down the transmission of and avoiding contracting COVID-19 is for at-risk persons to** complete a COVID-19 vaccination series and receive a booster if eligible, wear well-fitted mask in indoor settings when around others outside of their household, **practice distancing**, frequently wash hands with soap ....” (Emphasis added.)

Based on the foregoing, if the Board determines the state of emergency continues to directly impact the ability of the members of the Board to meet safely in person and/or state or local officials continue to impose or recommend measures to promote social distancing, staff recommends that the Board renew its findings and adopt Resolution 2022-05 in order for the Board and its committees to continue to meet by teleconference.

Attachments

**Submitted by:**



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Gina M. Ratto  
General Counsel

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**OCERS BOARD OF RETIREMENT  
RESOLUTION NO. 2022-05**

**RESOLUTION OF THE BOARD OF THE ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM:**

- **RATIFYING (1) THE PROCLAMATION OF A LOCAL HEALTH EMERGENCY BY THE COUNTY OF ORANGE HEALTH OFFICER ON FEBRUARY 26, 2020; (2) THE PROCLAMATION OF A LOCAL EMERGENCY BY THE CHAIRWOMAN OF THE ORANGE COUNTY BOARD OF SUPERVISORS ON FEBRUARY 26, 2020; (3) RESOLUTIONS NO. 20-011 AND 20-012 OF THE ORANGE COUNTY BOARD OF SUPERVISORS RATIFYING THE LOCAL HEALTH EMERGENCY AND THE LOCAL EMERGENCY; AND (4) THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR NEWSOM ON MARCH 4, 2020; AND**
- **AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE BOARD AND ITS COMMITTEES THROUGH JUNE 20, 2022, PURSUANT TO BROWN ACT PROVISIONS.**

WHEREAS, the Board of the Orange County Employees Retirement System (OCERS Board) is a legislative body under Government Code section 54952; and

WHEREAS, OCERS is committed to preserving and nurturing public access and participation in meetings of the OCERS Board and its committees; and

WHEREAS, all meetings of the OCERS Board and its committees are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the OCERS Board and its committees conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a State of Emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the geographical boundaries within which the OCERS Board and its committees hold their meetings, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in Orange County, specifically, a Local Health Emergency based on an imminent and proximate threat to public health from the introduction of COVID-19 in Orange County



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was declared by the County of Orange Health Officer on February 26, 2020; a Local Emergency based on the imminent and proximate threat to public health from the introduction of COVID-19 that created conditions of extreme peril to the safety of persons and property within the territorial limits of Orange County was proclaimed by the Chairwoman of the Board of Supervisors on February 26, 2020; Resolutions No. 20-011 and No. 20-012 of the Orange County Board of Supervisors were adopted on March 2, 2020, ratifying the Local Health Emergency and Local Emergency; and a State of Emergency was proclaimed by Governor Newsom for the State of California on March 4, 2020 based on an outbreak of respiratory illness due to COVID-19; and

WHEREAS, the California Division of Occupational Safety and Health has issued COVID-19 prevention Emergency Temporary Standards recognizing that physical distancing decreases the spread of COVID-19 and requiring the evaluation of the need for physical distancing when there has been an outbreak at the workplace (an "outbreak" is when there has been three or more COVID-19 cases at the workplace during a 14-day period) requiring employers to exclude from the workplace employees who had a close contact ("close contact" means being within six feet of a COVID-19 case for a cumulative total of 15 minutes or greater in any 24-hour period) until certain specified requirements are met, except that employees who were fully vaccinated before the close contact and who do not develop COVID-19 symptoms do not need to be excluded if they wear a face covering and maintain six feet of distance from others at the workplace for 14 days following the last date of close contact; and

WHEREAS, the County of Orange Health Officer's Orders and Strong Recommendations, last revised on March 24, 2022, state that "the current consensus among public health officials for slowing down the transmission of and avoiding contracting COVID-19 is for at-risk persons to complete a COVID-19 vaccination series and receive a booster if eligible, wear well-fitted mask in indoor settings when around others outside of their household, practice distancing, frequently wash hands with soap"; and

WHEREAS, the CDC currently recommends that individuals who are not up to date on their COVID-19 vaccines stay six feet away from others when indoors in public, especially if they are at higher risk of getting very sick from COVID-19; and

WHEREAS, the OCERS Board does hereby find that the COVID-19 pandemic has caused, and will continue to cause, conditions of peril to the safety of persons that are likely to be beyond the control of services, personnel, equipment, and facilities of OCERS; and

WHEREAS, in making the aforementioned finding, the OCERS Board acknowledges the proclamation of State of Emergency by the Governor of the State of California; the proclamation of Local Health Emergency by the County of Orange Health Officer; the proclamation of a Local Emergency by the Chairwoman of the Orange County Board of Supervisors; and the ratification of the Local Health Emergency and Local Emergency by the Orange County Board of Supervisors; as well as CalOSHA's prevention Emergency Temporary Standards requiring exclusion from the workplace employees who have had a close contact with someone who has the evaluation of physical distancing when a COVID-19 outbreak occurs at the workplace; the County of Orange Health Officer's Orders and Strong Recommendations for at-risk persons to wear well-fitted mask in indoor settings when around others outside of their household and practice distancing; and the CDC's recommendation for unvaccinated persons to maintain physical distance when in public, indoor settings; and

WHEREAS, as a consequence of the State of Emergency, Local Health Emergency and Local Emergency, the OCERS Board does hereby find that conditions exist to enable the OCERS Board and its committees to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code

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section 54953, as authorized by subdivision (e) of section 54953, and that the OCERS Board and its committees will comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, members of the public who wish to observe or participate in the meeting may do so via the Zoom application or via telephone, as explained in the agenda for the meeting posted on the OCERS' website and at its business office location at least 72 hours prior to the meeting.

NOW, THEREFORE, THE OCERS BOARD DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Acknowledgement of Proclamation of State and Local Emergency. The OCERS Board hereby acknowledges that a State of Emergency has been proclaimed by the Governor of the State of California effective March 4, 2020; that a Local Health Emergency has been proclaimed by the Orange County Health Officer on February 26, 2020; that a Local Emergency has been proclaimed by the Chairwoman of the Board of Supervisors on February 26, 2020; and that the Local Health Emergency and Local Emergency were ratified by the Orange County Board of Supervisors on March 2, 2020, all of which continue to exist within the geographical boundaries of the territory within which the OCERS Board and its committees hold meetings to conduct business.

Section 3. Determination Regarding Health and Safety Need to Continue Teleconferencing. The OCERS Board finds that the State of Emergency directly impacts the ability of the OCERS Board, its committees, members and staff to meet safely in person, and that state or local officials continue to impose or recommend measures to promote social distancing.

Section 4. Remote Teleconference Meetings. The staff and the OCERS Board and each of its committees are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution will take effect immediately upon its adoption and shall be effective until the earlier of June 20, 2022, or such time the OCERS Board adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the OCERS Board and its committees may continue to meet by teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Board of the Orange County Employees Retirement System this 16<sup>th</sup> day of May, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

**Assembly Bill No. 361**

## CHAPTER 165

An act to add and repeal Section 89305.6 of the Education Code, and to amend, repeal, and add Section 54953 of, and to add and repeal Section 11133 of, the Government Code, relating to open meetings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 16, 2021. Filed with Secretary of State September 16, 2021.]

## LEGISLATIVE COUNSEL'S DIGEST

AB 361, Robert Rivas. Open meetings: state and local agencies: teleconferences.

(1) Existing law, the Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding the timelines for posting an agenda and providing for the ability of the public to directly address the legislative body on any item of interest to the public. The act generally requires all regular and special meetings of the legislative body be held within the boundaries of the territory over which the local agency exercises jurisdiction, subject to certain exceptions. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. The act authorizes the district attorney or any interested person, subject to certain provisions, to commence an action by mandamus or injunction for the purpose of obtaining a judicial determination that specified actions taken by a legislative body are null and void.

Existing law, the California Emergency Services Act, authorizes the Governor, or the Director of Emergency Services when the governor is inaccessible, to proclaim a state of emergency under specified circumstances.

Executive Order No. N-29-20 suspends the Ralph M. Brown Act's requirements for teleconferencing during the COVID-19 pandemic provided that notice and accessibility requirements are met, the public members are allowed to observe and address the legislative body at the meeting, and that a legislative body of a local agency has a procedure for receiving and swiftly

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resolving requests for reasonable accommodation for individuals with disabilities, as specified.

This bill, until January 1, 2024, would authorize a local agency to use teleconferencing without complying with the teleconferencing requirements imposed by the Ralph M. Brown Act when a legislative body of a local agency holds a meeting during a declared state of emergency, as that term is defined, when state or local health officials have imposed or recommended measures to promote social distancing, during a proclaimed state of emergency held for the purpose of determining, by majority vote, whether meeting in person would present imminent risks to the health or safety of attendees, and during a proclaimed state of emergency when the legislative body has determined that meeting in person would present imminent risks to the health or safety of attendees, as provided.

This bill would require legislative bodies that hold teleconferenced meetings under these abbreviated teleconferencing procedures to give notice of the meeting and post agendas, as described, to allow members of the public to access the meeting and address the legislative body, to give notice of the means by which members of the public may access the meeting and offer public comment, including an opportunity for all persons to attend via a call-in option or an internet-based service option, and to conduct the meeting in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body. The bill would require the legislative body to take no further action on agenda items when there is a disruption which prevents the public agency from broadcasting the meeting, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments, until public access is restored. The bill would specify that actions taken during the disruption are subject to challenge proceedings, as specified.

This bill would prohibit the legislative body from requiring public comments to be submitted in advance of the meeting and would specify that the legislative body must provide an opportunity for the public to address the legislative body and offer comment in real time. The bill would prohibit the legislative body from closing the public comment period and the opportunity to register to provide public comment, until the public comment period has elapsed or until a reasonable amount of time has elapsed, as specified. When there is a continuing state of emergency, or when state or local officials have imposed or recommended measures to promote social distancing, the bill would require a legislative body to make specified findings not later than 30 days after the first teleconferenced meeting pursuant to these provisions, and to make those findings every 30 days thereafter, in order to continue to meet under these abbreviated teleconferencing procedures.

Existing law prohibits a legislative body from requiring, as a condition to attend a meeting, a person to register the person's name, or to provide other information, or to fulfill any condition precedent to the person's attendance.

This bill would exclude from that prohibition, a registration requirement imposed by a third-party internet website or other online platform not under the control of the legislative body.

(2) Existing law, the Bagley-Keene Open Meeting Act, requires, with specified exceptions, that all meetings of a state body be open and public and all persons be permitted to attend any meeting of a state body. The act requires at least one member of the state body to be physically present at the location specified in the notice of the meeting.

The Governor's Executive Order No. N-29-20 suspends the requirements of the Bagley-Keene Open Meeting Act for teleconferencing during the COVID-19 pandemic, provided that notice and accessibility requirements are met, the public members are allowed to observe and address the state body at the meeting, and that a state body has a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, as specified.

This bill, until January 31, 2022, would authorize, subject to specified notice and accessibility requirements, a state body to hold public meetings through teleconferencing and to make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the state body. With respect to a state body holding a public meeting pursuant to these provisions, the bill would suspend certain requirements of existing law, including the requirements that each teleconference location be accessible to the public and that members of the public be able to address the state body at each teleconference location. Under the bill, a state body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically would satisfy any requirement that the state body allow members of the public to attend the meeting and offer public comment. The bill would require that each state body that holds a meeting through teleconferencing provide notice of the meeting, and post the agenda, as provided. The bill would urge state bodies utilizing these teleconferencing procedures in the bill to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to existing law, as provided.

(3) Existing law establishes the various campuses of the California State University under the administration of the Trustees of the California State University, and authorizes the establishment of student body organizations in connection with the operations of California State University campuses.

The Gloria Romero Open Meetings Act of 2000 generally requires a legislative body, as defined, of a student body organization to conduct its business in a meeting that is open and public. The act authorizes the legislative body to use teleconferencing, as defined, for the benefit of the public and the legislative body in connection with any meeting or proceeding authorized by law.

This bill, until January 31, 2022, would authorize, subject to specified notice and accessibility requirements, a legislative body, as defined for purposes of the act, to hold public meetings through teleconferencing and

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to make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the legislative body. With respect to a legislative body holding a public meeting pursuant to these provisions, the bill would suspend certain requirements of existing law, including the requirements that each teleconference location be accessible to the public and that members of the public be able to address the legislative body at each teleconference location. Under the bill, a legislative body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically would satisfy any requirement that the legislative body allow members of the public to attend the meeting and offer public comment. The bill would require that each legislative body that holds a meeting through teleconferencing provide notice of the meeting, and post the agenda, as provided. The bill would urge legislative bodies utilizing these teleconferencing procedures in the bill to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to existing law, as provided.

(4) This bill would declare the Legislature's intent, consistent with the Governor's Executive Order No. N-29-20, to improve and enhance public access to state and local agency meetings during the COVID-19 pandemic and future emergencies by allowing broader access through teleconferencing options.

(5) This bill would incorporate additional changes to Section 54953 of the Government Code proposed by AB 339 to be operative only if this bill and AB 339 are enacted and this bill is enacted last.

(6) The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

(7) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

(8) This bill would declare that it is to take effect immediately as an urgency statute.

*The people of the State of California do enact as follows:*

SECTION 1. Section 89305.6 is added to the Education Code, to read:  
89305.6. (a) Notwithstanding any other provision of this article, and subject to the notice and accessibility requirements in subdivisions (d) and (e), a legislative body may hold public meetings through teleconferencing

and make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the legislative body.

(b) (1) For a legislative body holding a public meeting through teleconferencing pursuant to this section, all requirements in this article requiring the physical presence of members, the clerk or other personnel of the legislative body, or the public, as a condition of participation in or quorum for a public meeting, are hereby suspended.

(2) For a legislative body holding a public meeting through teleconferencing pursuant to this section, all of the following requirements in this article are suspended:

(A) Each teleconference location from which a member will be participating in a public meeting or proceeding be identified in the notice and agenda of the public meeting or proceeding.

(B) Each teleconference location be accessible to the public.

(C) Members of the public may address the legislative body at each teleconference conference location.

(D) Post agendas at all teleconference locations.

(E) At least one member of the legislative body be physically present at the location specified in the notice of the meeting.

(c) A legislative body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements in subdivisions (d) and (e), shall have satisfied any requirement that the legislative body allow members of the public to attend the meeting and offer public comment. A legislative body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

(d) If a legislative body holds a meeting through teleconferencing pursuant to this section and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the legislative body shall also do both of the following:

(1) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and resolving any doubt whatsoever in favor of accessibility.

(2) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to paragraph (2) of subdivision (e).

(e) Except to the extent this section provides otherwise, each legislative body that holds a meeting through teleconferencing pursuant to this section shall do both of the following:

(1) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by this article, and using the means otherwise prescribed by this article, as applicable.

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(2) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in the means of public observation and comment, or any instance prior to the effective date of this section in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of the means of public observation and comment, a legislative body may satisfy this requirement by advertising the means of public observation and comment using the most rapid means of communication available at the time. Advertising the means of public observation and comment using the most rapid means of communication available at the time shall include, but need not be limited to, posting such means on the legislative body's internet website.

(f) All legislative bodies utilizing the teleconferencing procedures in this section are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the otherwise applicable provisions of this article, in order to maximize transparency and provide the public access to legislative body meetings.

(g) This section shall remain in effect only until January 31, 2022, and as of that date is repealed.

SEC. 2. Section 11133 is added to the Government Code, to read:

11133. (a) Notwithstanding any other provision of this article, and subject to the notice and accessibility requirements in subdivisions (d) and (e), a state body may hold public meetings through teleconferencing and make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the state body.

(b) (1) For a state body holding a public meeting through teleconferencing pursuant to this section, all requirements in this article requiring the physical presence of members, the clerk or other personnel of the state body, or the public, as a condition of participation in or quorum for a public meeting, are hereby suspended.

(2) For a state body holding a public meeting through teleconferencing pursuant to this section, all of the following requirements in this article are suspended:

(A) Each teleconference location from which a member will be participating in a public meeting or proceeding be identified in the notice and agenda of the public meeting or proceeding.

(B) Each teleconference location be accessible to the public.

(C) Members of the public may address the state body at each teleconference conference location.

(D) Post agendas at all teleconference locations.

(E) At least one member of the state body be physically present at the location specified in the notice of the meeting.

(c) A state body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically



or otherwise electronically, consistent with the notice and accessibility requirements in subdivisions (d) and (e), shall have satisfied any requirement that the state body allow members of the public to attend the meeting and offer public comment. A state body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

(d) If a state body holds a meeting through teleconferencing pursuant to this section and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the state body shall also do both of the following:

(1) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and resolving any doubt whatsoever in favor of accessibility.

(2) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to paragraph (2) of subdivision (e).

(e) Except to the extent this section provides otherwise, each state body that holds a meeting through teleconferencing pursuant to this section shall do both of the following:

(1) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by this article, and using the means otherwise prescribed by this article, as applicable.

(2) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in the means of public observation and comment, or any instance prior to the effective date of this section in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of the means of public observation and comment, a state body may satisfy this requirement by advertising the means of public observation and comment using the most rapid means of communication available at the time. Advertising the means of public observation and comment using the most rapid means of communication available at the time shall include, but need not be limited to, posting such means on the state body's internet website.

(f) All state bodies utilizing the teleconferencing procedures in this section are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the otherwise applicable provisions of this article, in order to maximize transparency and provide the public access to state body meetings.

(g) This section shall remain in effect only until January 31, 2022, and as of that date is repealed.

SEC. 3. Section 54953 of the Government Code is amended to read:

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54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, “teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public’s right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.

(D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(G) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) For the purposes of this subdivision, “state of emergency” means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(f) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 3.1. Section 54953 of the Government Code is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency in person, except as otherwise provided in this chapter. Local agencies shall conduct meetings subject to this chapter consistent with applicable state and federal civil rights laws, including, but not limited to, any applicable language access and other nondiscrimination obligations.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body

shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, “teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public’s right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter

2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3. In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.

(D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for

the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(G) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) For the purposes of this subdivision, "state of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(f) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 4. Section 54953 is added to the Government Code, to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting



of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, “teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public’s right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting,

members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) This section shall become operative January 1, 2024.

SEC. 4.1. Section 54953 is added to the Government Code, to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, in person except as otherwise provided in this chapter. Local agencies shall conduct meetings subject to this chapter consistent with applicable state and federal civil rights laws, including, but not limited to, any applicable language access and other nondiscrimination obligations.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the

legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, “teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public’s right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint

powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) This section shall become operative January 1, 2024.

SEC. 5. Sections 3.1 and 4.1 of this bill incorporate amendments to Section 54953 of the Government Code proposed by both this bill and Assembly Bill 339. Those sections of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2022, but this bill becomes operative first, (2) each bill amends Section 54953 of the Government Code, and (3) this bill is enacted after Assembly Bill 339, in which case Section 54953 of the Government Code, as amended by Sections 3 and 4 of this bill, shall remain operative only until the operative date of Assembly Bill 339, at which time Sections 3.1 and 4.1 of this bill shall become operative.

SEC. 6. It is the intent of the Legislature in enacting this act to improve and enhance public access to state and local agency meetings during the COVID-19 pandemic and future applicable emergencies, by allowing broader access through teleconferencing options consistent with the Governor's Executive Order No. N-29-20 dated March 17, 2020, permitting expanded use of teleconferencing during the COVID-19 pandemic.

SEC. 7. The Legislature finds and declares that Sections 3 and 4 of this act, which amend, repeal, and add Section 54953 of the Government Code, further, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act is necessary to ensure minimum standards for public participation and notice requirements allowing for greater public participation in teleconference meetings during applicable emergencies.

SEC. 8. (a) The Legislature finds and declares that during the COVID-19 public health emergency, certain requirements of the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code) were suspended by Executive Order N-29-20. Audio and video teleconference were widely used to conduct public meetings in lieu of physical location meetings, and public meetings conducted by teleconference during the COVID-19 public health emergency have been productive, have increased public participation by all members of the public regardless of their location in the state and ability to travel to physical meeting locations, have protected the health and safety of civil servants and the public, and have reduced travel costs incurred by members of state bodies and reduced work hours spent traveling to and from meetings.

(b) The Legislature finds and declares that Section 1 of this act, which adds and repeals Section 89305.6 of the Education Code, Section 2 of this act, which adds and repeals Section 11133 of the Government Code, and Sections 3 and 4 of this act, which amend, repeal, and add Section 54953 of the Government Code, all increase and potentially limit the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

(1) By removing the requirement that public meetings be conducted at a primary physical location with a quorum of members present, this act protects the health and safety of civil servants and the public and does not preference the experience of members of the public who might be able to attend a meeting in a physical location over members of the public who cannot travel or attend that meeting in a physical location.

(2) By removing the requirement for agendas to be placed at the location of each public official participating in a public meeting remotely, including from the member's private home or hotel room, this act protects the personal, private information of public officials and their families while preserving the public's right to access information concerning the conduct of the people's business.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that state and local agencies can continue holding public meetings while providing essential services like water, power, and fire protection to their constituents during public health, wildfire, or other states of emergencies, it is necessary that this act take effect immediately.

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## DECLARATION OF A LOCAL HEALTH EMERGENCY

WHEREAS, Health and Safety Code section 101080 authorizes a local health officer to declare a local health emergency in the health officer's jurisdiction, or any part thereof, whenever the health officer reasonably determines that there is an imminent and proximate threat of the introduction of any contagious, infectious, or communicable disease, chemical agent, non-communicable biologic agent, toxin, or radioactive agent;

WHEREAS, the Centers for Disease Control and Prevention announced on February 25, 2020 that community spread of COVID-19 is likely to occur in the United States;

WHEREAS, based on the Centers for Disease Control and Prevention statements, there is an ongoing risk and likelihood of COVID-19 positive patients being identified in Orange County;

WHEREAS, based on the foregoing, there is an imminent and proximate threat of the introduction of COVID-19 in the County of Orange and a threat to the public health of the County residents;

THEREFORE, the County Health Officer hereby declares a health emergency.



Nichole Quick, MD, MPH  
Health Officer

2/26/2020

Date

COUNTY OF ORANGE  
STATE OF CALIFORNIA  
PROCLAMATION OF A LOCAL EMERGENCY

REQUEST FOR GOVERNOR TO DECLARE A STATE OF EMERGENCY

WHEREAS, in accordance with Government Code Section 8630, a local emergency may be proclaimed by the Board of Supervisors of the County of Orange or by an official so designated by ordinance adopted by the Board of Supervisors; and

WHEREAS, Section 3-1-6(a) of the Codified Ordinances of the County of Orange provides that the Director of Emergency Services shall request the Board of Supervisors to proclaim a local emergency when the Board of Supervisors is in session and the Chair of the Emergency Management Council to so proclaim when the Board of Supervisors is not in session; and

WHEREAS, the Board of Supervisors is not currently in session, and the Director of Emergency Services has requested that the Chair of the Emergency Management Council proclaim a local emergency; and

WHEREAS, a novel coronavirus, COVID-19, which causes infectious disease resulting in symptoms of fever, coughing and shortness of breath with outcomes ranging from mild to severe illness and in some cases death, has arisen in China and spread to numerous other countries including the United States; and

WHEREAS, the Centers for Disease Control and Prevention has determined the virus to be a very serious public health threat, yet the method and efficacy of transmission of the virus is not yet fully understood and no vaccine currently exists; and

WHEREAS, Orange County has a population of over 3 million residents, is a major tourist destination, has a high volume airport within its jurisdiction and is a significant

destination for business travel all resulting in high volumes of foreign and domestic travelers traveling into and out of the County, which has the potential to result in significant spreading of the disease; and

WHEREAS, the Health Officer of the County of Orange has determined that the County is preparing for an imminent and proximate threat to public health from the virus; and

WHEREAS, communities within the geographic boundaries of Orange County have and will continue to prepare and, as necessary, take significant response actions to any developing contagion and to any other risks that may arise from introduction and possible spread of the virus;

WHEREAS, the above described events are creating a condition of extreme peril to the safety of persons and property within the territorial limits of the County of Orange which conditions are or are likely to be beyond the control of the services, personnel, equipment and facilities of the County of Orange, and require the combined forces of other political subdivisions to combat;

IT IS HEREBY PROCLAIMED that a local emergency exists within the geographic area of Orange County;

IT IS FURTHER PROCLAIMED AND ORDERED that as of this date all County departments and agencies take those actions, measures and steps deemed necessary to assure the safety and welfare of Orange County residents and property, including requesting mutual aid to the extent such aid is necessary and utilizing EOC Cal Cards and any other available funding stream to acquire resources determined by the DES or an authorized emergency purchaser as necessary to respond to this declared emergency.



ACCORDINGLY, THE CHAIR OF THE BOARD OF SUPERVISORS ACTING AS THE CHAIR OF THE EMERGENCY MANAGEMENT COUNCIL HEREBY REQUESTS that the Governor declare a State of Emergency and make all relevant funds available to the County of Orange and all eligible community members and businesses, including but not limited to, California Disaster Assistance Act funds and State Private Nonprofit Organizations Assistance Program funds, and that the Governor request that the President of the United States make a Presidential Declaration of Emergency in and for the County of Orange and make all relevant funds available to the County of Orange and all eligible community members and businesses, including, but not limited to, aid provided by the Small Business Administration.

Date: 2/26/20

Signed: 

Michelle Steel,  
Chairwoman of the Board of Supervisors Acting as  
the Chair of the Emergency Management Council  
County of Orange

Attachment A

RESOLUTION OF THE BOARD OF SUPERVISORS OF  
ORANGE COUNTY, CALIFORNIA  
March 2, 2020

WHEREAS, Health and Safety Code section 101080 authorizes a local health officer to declare a local health emergency in the health officer's jurisdiction, or any part thereof, whenever the health officer reasonably determines that there is an imminent and proximate threat of the introduction of any contagious, infectious, or communicable disease, chemical agent, non-communicable biologic agent, toxin, or radioactive agent;

WHEREAS, on February 26, 2020, the County's Health Officer declared a local health emergency based on an imminent and proximate threat to public health from the introduction of a novel coronavirus (named "COVID-19") in Orange County.

WHEREAS, under Health and Safety Code Section 101080, the local health emergency shall not remain in effect for more than seven days unless ratified by the Board of Supervisors;

WHEREAS, the Board of Supervisors hereby finds that there continues to exist an imminent and proximate threat to public health from the introduction of COVID-19 in Orange County for reasons set forth in the declaration of local health emergency by County's Health Officer, dated February 26, 2020;

NOW, THEREFORE, BE IT RESOLVED by the Orange County Board of Supervisors  
**that:**

1. The local health emergency declared by the County's Health Officer on February 26, 2020 is hereby ratified. Under Health and Safety Code Section 101080, the local health emergency may remain in effect for no more than 30 days from the date of this Resolution.
2. The County's Health Officer is directed to bring for review by the Board of Supervisors the need for continuing the local health emergency no later than the date


coinciding with the expiration of this Resolution

3. The Board of Supervisors delegates authority to the County's Health Officer to terminate the local health emergency, pursuant to Health and Safety Code Section 101080, "at the earliest possible date that conditions warrant the terminations."
4. All County departments and agencies take those actions, measures, and steps deemed necessary to assure the health, safety and welfare of Orange County citizens and property, including requesting mutual aid to the extent such aid is necessary.

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APPROVED AS TO FORM  
OFFICE OF THE COUNTY COUNSEL  
ORANGE COUNTY, CALIFORNIA

By   
Deputy  
Date 2/27/20

Attachment C

RESOLUTION OF THE BOARD OF SUPERVISORS OF  
ORANGE COUNTY, CALIFORNIA  
March 2, 2020

WHEREAS, Government Code section 8630 and section 3-1-6(a) of the Codified Ordinances of the County of Orange empower the Director of Emergency Services to request the Chair of the Emergency Management Council to proclaim the existence or threatened existence of a local emergency, subject to ratification by the Board of Supervisors within seven days; and

WHEREAS, a novel coronavirus, COVID-19, which causes infectious disease resulting in symptoms of fever, coughing and shortness of breath with outcomes ranging from mild to severe illness and in some cases death, has arisen in China and spread to numerous other countries including the United States; and

WHEREAS, the Centers for Disease Control and Prevention has determined the virus to be a very serious public health threat, yet the method and efficacy of transmission of the virus is not yet fully understood and no vaccine currently exists; and

WHEREAS, Orange County has a population of over 3 million residents, is a major tourist destination, has a high volume airport within its jurisdiction and is a significant destination for business travel all resulting in high volumes of foreign and domestic travelers traveling into and out of the County, which has the potential to result in significant spreading of the disease; and

WHEREAS, the Health Officer of the County of Orange has determined that the County is preparing for an imminent and proximate threat to public health from the virus; and

WHEREAS, communities within the geographic boundaries of Orange County have and will continue to prepare and, as necessary, take significant response actions to any developing contagion and to any other risks that may arise from introduction and possible spread of the virus;

Attachment C

WHEREAS, the above described events are creating conditions of extreme peril and such conditions are or are likely to be beyond the control of the services, personnel, equipment, and facilities of the County, requiring the combined forces of other political subdivisions to combat;  
**and**

WHEREAS, at the request of the Director of Emergency Services, the Chair of the Emergency Management Council, on February 26, 2020, did proclaim the existence of local emergency within the County of Orange; and

WHEREAS, the Board of Supervisors does hereby find that the aforesaid conditions of extreme peril did warrant and necessitate the proclamation of the existence of a local emergency;  
**and**

WHEREAS, the Board of Supervisors also finds a local emergency does exist and shall be deemed to continue to exist until its termination is proclaimed by the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED that the Orange County Board of Supervisors does hereby ratify the Chair of the Emergency Management Council's February 26, 2020, Proclamation of a Local Emergency.

BE IT FURTHER RESOLVED that all powers, functions, and duties of the emergency organization of the County of Orange shall be vested in such persons as prescribed by federal and state law, by County ordinances and resolutions, and by the Orange County Emergency Plan now in effect.

BE IT FURTHER RESOLVED that all County departments and agencies take those actions, measures, and steps deemed necessary to assure the safety and welfare of Orange County citizens and property, including requesting mutual aid to the extent such aid is necessary.

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Resolution No. \_\_\_\_\_ Item No. \_\_\_\_\_  
Proclamation of a Local Emergency

APPROVED AS TO FORM  
OFFICE OF THE COUNTY COUNSEL  
ORANGE COUNTY, CALIFORNIA

By [Signature]  
Deputy  
Date 2/27/20

**EXECUTIVE DEPARTMENT  
STATE OF CALIFORNIA**

**PROCLAMATION OF A STATE OF EMERGENCY**

**WHEREAS** in December 2019, an outbreak of respiratory illness due to a novel coronavirus (a disease now known as COVID-19), was first identified in Wuhan City, Hubei Province, China, and has spread outside of China, impacting more than 75 countries, including the United States; and

**WHEREAS** the State of California has been working in close collaboration with the national Centers for Disease Control and Prevention (CDC), with the United States Health and Human Services Agency, and with local health departments since December 2019 to monitor and plan for the potential spread of COVID-19 to the United States; and

**WHEREAS** on January 23, 2020, the CDC activated its Emergency Response System to provide ongoing support for the response to COVID-19 across the country; and

**WHEREAS** on January 24, 2020, the California Department of Public Health activated its Medical and Health Coordination Center and on March 2, 2020, the Office of Emergency Services activated the State Operations Center to support and guide state and local actions to preserve public health; and

**WHEREAS** the California Department of Public Health has been in regular communication with hospitals, clinics and other health providers and has provided guidance to health facilities and providers regarding COVID-19; and

**WHEREAS** as of March 4, 2020, across the globe, there are more than 94,000 confirmed cases of COVID-19, tragically resulting in more than 3,000 deaths worldwide; and

**WHEREAS** as of March 4, 2020, there are 129 confirmed cases of COVID-19 in the United States, including 53 in California, and more than 9,400 Californians across 49 counties are in home monitoring based on possible travel-based exposure to the virus, and officials expect the number of cases in California, the United States, and worldwide to increase; and

**WHEREAS** for more than a decade California has had a robust pandemic influenza plan, supported local governments in the development of local plans, and required that state and local plans be regularly updated and exercised; and

**WHEREAS** California has a strong federal, state and local public health and health care delivery system that has effectively responded to prior events including the H1N1 influenza virus in 2009, and most recently Ebola; and



**WHEREAS** experts anticipate that while a high percentage of individuals affected by COVID-19 will experience mild flu-like symptoms, some will have more serious symptoms and require hospitalization, particularly individuals who are elderly or already have underlying chronic health conditions; and

**WHEREAS** it is imperative to prepare for and respond to suspected or confirmed COVID-19 cases in California, to implement measures to mitigate the spread of COVID-19, and to prepare to respond to an increasing number of individuals requiring medical care and hospitalization; and

**WHEREAS** if COVID-19 spreads in California at a rate comparable to the rate of spread in other countries, the number of persons requiring medical care may exceed locally available resources, and controlling outbreaks minimizes the risk to the public, maintains the health and safety of the people of California, and limits the spread of infection in our communities and within the healthcare delivery system; and

**WHEREAS** personal protective equipment (PPE) is not necessary for use by the general population but appropriate PPE is one of the most effective ways to preserve and protect California's healthcare workforce at this critical time and to prevent the spread of COVID-19 broadly; and

**WHEREAS** state and local health departments must use all available preventative measures to combat the spread of COVID-19, which will require access to services, personnel, equipment, facilities, and other resources, potentially including resources beyond those currently available, to prepare for and respond to any potential cases and the spread of the virus; and

**WHEREAS** I find that conditions of Government Code section 8558(b), relating to the declaration of a State of Emergency, have been met; and

**WHEREAS** I find that the conditions caused by COVID-19 are likely to require the combined forces of a mutual aid region or regions to appropriately respond; and

**WHEREAS** under the provisions of Government Code section 8625(c), I find that local authority is inadequate to cope with the threat posed by COVID-19; and

**WHEREAS** under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19.

**NOW, THEREFORE, I, GAVIN NEWSOM**, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, including the California Emergency Services Act, and in particular, Government Code section 8625, **HEREBY PROCLAIM A STATE OF EMERGENCY** to exist in California.

**IT IS HEREBY ORDERED THAT:**

1. In preparing for and responding to COVID-19, all agencies of the state government use and employ state personnel, equipment, and facilities or perform any and all activities consistent with the direction of the Office of Emergency Services and the State Emergency Plan, as well as the California Department of Public Health and the Emergency Medical Services Authority. Also, all residents are to heed the advice of emergency officials with regard to this emergency in order to protect their safety.
2. As necessary to assist local governments and for the protection of public health, state agencies shall enter into contracts to arrange for the procurement of materials, goods, and services needed to assist in preparing for, containing, responding to, mitigating the effects of, and recovering from the spread of COVID-19. Applicable provisions of the Government Code and the Public Contract Code, including but not limited to travel, advertising, and competitive bidding requirements, are suspended to the extent necessary to address the effects of COVID-19.
3. Any out-of-state personnel, including, but not limited to, medical personnel, entering California to assist in preparing for, responding to, mitigating the effects of, and recovering from COVID-19 shall be permitted to provide services in the same manner as prescribed in Government Code section 179.5, with respect to licensing and certification. Permission for any such individual rendering service is subject to the approval of the Director of the Emergency Medical Services Authority for medical personnel and the Director of the Office of Emergency Services for non-medical personnel and shall be in effect for a period of time not to exceed the duration of this emergency.
4. The time limitation set forth in Penal Code section 396, subdivision (b), prohibiting price gouging in time of emergency is hereby waived as it relates to emergency supplies and medical supplies. These price gouging protections shall be in effect through September 4, 2020.
5. Any state-owned properties that the Office of Emergency Services determines are suitable for use to assist in preparing for, responding to, mitigating the effects of, or recovering from COVID-19 shall be made available to the Office of Emergency Services for this purpose, notwithstanding any state or local law that would restrict, delay, or otherwise inhibit such use.
6. Any fairgrounds that the Office of Emergency Services determines are suitable to assist in preparing for, responding to, mitigating the effects of, or recovering from COVID-19 shall be made available to the Office of Emergency Services pursuant to the Emergency Services Act, Government Code section 8589. The Office of Emergency Services shall notify the fairgrounds of the intended use and can immediately use the fairgrounds without the fairground board of directors' approval, and





notwithstanding any state or local law that would restrict, delay, or otherwise inhibit such use.

7. The 30-day time period in Health and Safety Code section 101080, within which a local governing authority must renew a local health emergency, is hereby waived for the duration of this statewide emergency. Any such local health emergency will remain in effect until each local governing authority terminates its respective local health emergency.
8. The 60-day time period in Government Code section 8630, within which local government authorities must renew a local emergency, is hereby waived for the duration of this statewide emergency. Any local emergency proclaimed will remain in effect until each local governing authority terminates its respective local emergency.
9. The Office of Emergency Services shall provide assistance to local governments that have demonstrated extraordinary or disproportionate impacts from COVID-19, if appropriate and necessary, under the authority of the California Disaster Assistance Act, Government Code section 8680 et seq., and California Code of Regulations, Title 19, section 2900 et seq.
10. To ensure hospitals and other health facilities are able to adequately treat patients legally isolated as a result of COVID-19, the Director of the California Department of Public Health may waive any of the licensing requirements of Chapter 2 of Division 2 of the Health and Safety Code and accompanying regulations with respect to any hospital or health facility identified in Health and Safety Code section 1250. Any waiver shall include alternative measures that, under the circumstances, will allow the facilities to treat legally isolated patients while protecting public health and safety. Any facilities being granted a waiver shall be established and operated in accordance with the facility's required disaster and mass casualty plan. Any waivers granted pursuant to this paragraph shall be posted on the Department's website.
11. To support consistent practices across California, state departments, in coordination with the Office of Emergency Services, shall provide updated and specific guidance relating to preventing and mitigating COVID-19 to schools, employers, employees, first responders and community care facilities by no later than March 10, 2020.
12. To promptly respond for the protection of public health, state entities are, notwithstanding any other state or local law, authorized to share relevant medical information, limited to the patient's underlying health conditions, age, current condition, date of exposure, and possible contact tracing, as necessary to address the effect of the COVID-19 outbreak with state, local, federal, and nongovernmental partners, with such information to be used for the limited purposes of monitoring, investigation and control, and treatment and coordination of care. The



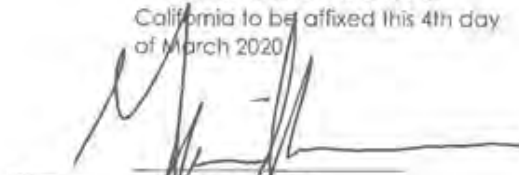
notification requirement of Civil Code section 1798.24, subdivision (i), is suspended.

13. Notwithstanding Health and Safety Code sections 1797.52 and 1797.218, during the course of this emergency, any EMT-P licensees shall have the authority to transport patients to medical facilities other than acute care hospitals when approved by the California EMS Authority. In order to carry out this order, to the extent that the provisions of Health and Safety Code sections 1797.52 and 1797.218 may prohibit EMT-P licensees from transporting patients to facilities other than acute care hospitals, those statutes are hereby suspended until the termination of this State of Emergency.

14. The Department of Social Services may, to the extent the Department deems necessary to respond to the threat of COVID-19, waive any provisions of the Health and Safety Code or Welfare and Institutions Code, and accompanying regulations, interim licensing standards, or other written policies or procedures with respect to the use, licensing, or approval of facilities or homes within the Department's jurisdiction set forth in the California Community Care Facilities Act (Health and Safety Code section 1500 et seq.), the California Child Day Care Facilities Act (Health and Safety Code section 1596.70 et seq.), and the California Residential Care Facilities for the Elderly Act (Health and Safety Code section 1569 et seq.). Any waivers granted pursuant to this paragraph shall be posted on the Department's website.

**I FURTHER DIRECT** that as soon as hereafter possible, this proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this proclamation.

**IN WITNESS WHEREOF** I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 4th day of March 2020.

  
GAVIN NEWSOM  
Governor of California

**ATTEST:**

\_\_\_\_\_  
ALEX PADILLA  
Secretary of State



**STANDARDS PRESENTATION  
TO  
CALIFORNIA OCCUPATIONAL SAFETY AND HEALTH STANDARDS BOARD**

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TITLE 8, DIVISION 1, CHAPTER 4

Subchapter 7. General Industry Safety Orders

Adopt Section 3205 to read:

§ 3205. COVID-19 Prevention.

(a) Scope.

- (1) This section applies to all employees and places of employment, with the following exceptions:
  - (A) Work locations with one employee who does not have contact with other persons.
  - (B) Employees working from home.
  - (C) Employees with occupational exposure as defined by section 5199, when covered by that section.
  - (D) Employees teleworking from a location of the employee's choice, which is not under the control of the employer.
- (2) Nothing in this section is intended to limit more protective or stringent state or local health department mandates or guidance.

(b) Definitions. The following definitions apply to this section and to sections 3205.1 through 3205.4.

- (1) "Close contact" means being within six feet of a COVID-19 case for a cumulative total of 15 minutes or greater in any 24-hour period within or overlapping with the ~~"high-risk exposure infectious period"~~ defined by this section. ~~This definition applies~~ regardless of the use of face coverings, unless close contact is defined by regulation or order of the CDPH. If so, the CDPH definition shall apply.

EXCEPTION: Employees have not had a close contact if they wore a respirator required by the employer and used in compliance with section 5144, whenever they were within six feet of the COVID-19 case during the ~~high-risk exposure infectious~~ period.

- (2) "COVID-19" (Coronavirus Disease 2019) means the disease caused by SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2).

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- (3) "COVID-19 case" means a person who:
- (A) Has a positive "COVID-19 test" ~~as defined in this section~~; or
  - (B) Has a positive COVID-19 diagnosis from a licensed health care provider; or
  - (C) Is subject to a COVID-19-related order to isolate issued by a local or state health official; or
  - (D) Has died due to COVID-19, in the determination of a local health department or per inclusion in the COVID-19 statistics of a county.
- (4) "COVID-19 hazard" means potentially infectious material that may contain SARS-CoV-2, the virus that causes COVID-19. Potentially infectious materials include airborne droplets, small particle aerosols, and airborne droplet nuclei, which most commonly result from a person or persons exhaling, talking or vocalizing, coughing, or sneezing, or from procedures performed on persons which may aerosolize saliva or respiratory tract fluids. ~~This also includes objects or surfaces that may be contaminated with SARS-CoV-2.~~
- (5) "COVID-19 symptoms" means fever of 100.4 degrees Fahrenheit or higher, chills, cough, shortness of breath or difficulty breathing, fatigue, muscle or body aches, headache, new loss of taste or smell, sore throat, congestion or runny nose, nausea or vomiting, or diarrhea, unless a licensed health care professional determines the person's symptoms were caused by a known condition other than COVID-19.
- (6) "COVID-19 test" means a test for SARS-CoV-2 that is:
- (A) Cleared, approved, or authorized, including in an Emergency Use Authorization (EUA), by the United States Food and Drug Administration (FDA) to detect current infection with the SARS-CoV-2 virus (e.g., a viral test); and
  - (B) Administered in accordance with the authorized instructions; ~~and~~
  - (C) To meet the return to work criteria set forth in subsection (c)(10), a COVID-19 test may be ~~Not~~ both self-administered and self-read only if another means of independent verification of the results can be provided (e.g., a time-stamped photograph of the results) ~~unless observed by the employer or an authorized telehealth proctor. Examples of tests that satisfy this requirement include tests with specimens that are processed by a laboratory (including home or on-site collected specimens which are processed either individually or as pooled specimens), proctored over the counter tests, point of care tests, and tests where specimen collection and processing is either done or observed by an employer.~~

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- (7) “Exposed group” means all employees at a work location, working area, or a common area at work, where an employee COVID-19 case was present at any time during the ~~high-risk exposure~~ infectious period. A common area at work includes bathrooms, walkways, hallways, aisles, break or eating areas, and waiting areas. The following exceptions apply:
- (A) For the purpose of determining the exposed group, a place where persons momentarily pass through while everyone is wearing face coverings, without congregating, is not a work location, working area, or a common area at work.
  - (B) If the COVID-19 case was part of a distinct group of employees who are not present at the workplace at the same time as other employees, for instance a work crew or shift that does not overlap with another work crew or shift, only employees within that distinct group are part of the exposed group.
  - (C) If the COVID-19 case visited a work location, working area, or a common area at work for less than 15 minutes during the ~~high-risk exposure~~ infectious period, and the COVID-19 case was wearing a face covering during the entire visit, other people at the work location, working area, or common area are not part of the exposed group.

NOTE: An exposed group may include the employees of more than one employer. See Labor Code sections 6303 and 6304.1.

- (8) “Face covering” means a surgical mask, a medical procedure mask, a respirator worn voluntarily, or a tightly woven fabric or non-woven material of at least two layers ~~(i.e., fabrics that do not let light pass through when held up to a light source)~~ that completely covers the nose and mouth and is secured to the head with ties, ear loops, or elastic bands that go behind the head. If gaiters are worn, they shall have two layers of fabric or be folded to make two layers. A face covering is a solid piece of material without slits, visible holes, or punctures, and must fit snugly over the nose, mouth, and chin with no large gaps on the outside of the face. A face covering does not include a scarf, ski mask, balaclava, bandana, turtleneck, collar, or single layer of fabric.

This definition includes clear face coverings or cloth face coverings with a clear plastic panel that, ~~despite the non-cloth material allowing light to pass through,~~ otherwise meet this definition and which may be used to facilitate communication with people who are deaf or hard-of-hearing or others who need to see a speaker’s mouth or facial expressions to understand speech or sign language respectively.

- ~~(9) “Fully vaccinated” means the employer has documented:~~

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~~(A) A person's status two weeks after completing primary vaccination with a COVID-19 vaccine with, if applicable, at least the minimum recommended interval between doses in accordance with the approval, authorization, or listing that is:~~

- ~~1. Approved or authorized for emergency use by the FDA;~~
- ~~2. Listed for emergency use by the World Health Organization (WHO); or~~
- ~~3. Administered as part of a clinical trial at a U.S. site, if the recipient is documented to have primary vaccination with the active (not placebo) COVID-19 vaccine candidate, for which vaccine efficacy has been independently confirmed (e.g., by a data and safety monitoring board) or if the clinical trial participant at U.S. sites had received a COVID-19 vaccine that is neither approved nor authorized for use by FDA but is listed for emergency use by WHO; or~~

~~(B) A person's status two weeks after receiving the second dose of any combination of two doses of a COVID-19 vaccine that is approved or authorized by the FDA, or listed as a two-dose series by the WHO (i.e., a heterologous primary series of such vaccines, receiving doses of different COVID-19 vaccines as part of one primary series). The second dose of the series must not be received earlier than 17 days (21 days with a 4-day grace period) after the first dose.~~

~~(10)~~(9) "High-risk exposure/infectious period" means the following time period, unless otherwise defined by CDPH regulation or order, in which case the CDPH definition shall apply:

- (A) For COVID-19 cases who develop COVID-19 symptoms, from two days before they first develop symptoms until all of the following are true: it has been 10 days since symptoms first appeared; 24 hours have passed with no fever, without the use of fever-reducing medications; and symptoms have improved.
- (B) For COVID-19 cases who never develop COVID-19 symptoms, from two days before until 10 days after the specimen for their first positive test for COVID-19 was collected.

~~(11)~~(10) "Respirator" means a respiratory protection device approved by the National Institute for Occupational Safety and Health (NIOSH) to protect the wearer from particulate matter, such as an N95 filtering facepiece respirator.

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(11) "Returned case" means a COVID-19 case who returned to work pursuant to subsection (c)(10) and did not develop any COVID-19 symptoms after returning. A person shall only be considered a returned case for 90 days after the initial onset of COVID-19 symptoms or, if the person never developed COVID-19 symptoms, for 90 days after the first positive test. If a period of other than 90 days is required by a CDPH regulation or order, that period shall apply.

(12) "Worksite," for the limited purposes of ~~sections 3205 through 3205.4~~ ~~COVID-19 prevention regulations~~ only, means the building, store, facility, agricultural field, or other location where a COVID-19 case was present during the ~~high-risk exposure~~ infectious period. It does not apply to buildings, floors, or other locations of the employer that a COVID-19 case did not enter, locations where the worker worked by themselves without exposure to other employees, or to a worker's personal residence or alternative work location chosen by the worker when working remotely.

NOTE: The term worksite is used for the purpose of notice requirements in subsections (c)(3)(B)3. and 4. only.

(c) Written COVID-19 Prevention Program. Employers shall establish, implement, and maintain an effective, written COVID-19 Prevention Program, which may be integrated into the employer's Injury and Illness Prevention Program required by section 3203, or be maintained in a separate document. The written elements of a COVID-19 Prevention Program shall include:

(1) System for communicating. The employer shall do all of the following in a form readily understandable by employees:

- (A) Ask employees to report to the employer, without fear of reprisal, COVID-19 symptoms, possible close contacts, and possible COVID-19 hazards at the workplace.
- (B) Describe how employees with medical or other conditions that put them at increased risk of severe COVID-19 illness can request accommodations.
- (C) Provide information about access to COVID-19 testing as described in subsection (c)(5)(I) when testing is required under this section, section 3205.1, or section 3205.2.
- (D) In accordance with subsection (c)(3)(B), communicate information about COVID-19 hazards and the employer's COVID-19 policies and procedures to employees and to other employers, persons, and entities within or in contact with the employer's workplace.

NOTE: See subsection (c)(3)(C) for confidentiality requirements for COVID-19 cases.

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- (2) Identification and evaluation of COVID-19 hazards.
- (A) The employer shall allow for employee and authorized employee representative participation in the identification and evaluation of COVID-19 hazards.
  - (B) The employer shall develop and implement a process for screening employees for and responding to employees with COVID-19 symptoms. The employer may ask employees to evaluate their own symptoms before reporting to work. If the employer conducts screening indoors at the workplace, the employer shall ensure that face coverings are used during screening by both screeners and employees and, if temperatures are measured, that non-contact thermometers are used.
  - (C) The employer shall develop COVID-19 policies and procedures to respond effectively and immediately to individuals at the workplace who are a COVID-19 case to prevent or reduce the risk of transmission of COVID-19 in the workplace.
  - (D) The employer shall conduct a workplace-specific identification of all interactions, areas, activities, processes, equipment, and materials that could potentially expose employees to COVID-19 hazards. Employers shall treat all persons, regardless of symptoms or negative COVID-19 test results, as potentially infectious.
    - 1. This shall include identification of places and times when people may congregate or come in contact with one another, regardless of whether employees are performing an assigned work task or not, for instance during meetings or trainings and including in and around entrances, bathrooms, hallways, aisles, walkways, elevators, break or eating areas, cool-down areas, and waiting areas.
    - 2. This shall include an evaluation of employees' potential workplace exposure to all persons at the workplace or who may enter the workplace, including coworkers, employees of other entities, members of the public, customers or clients, and independent contractors. Employers shall consider how employees and other persons enter, leave, and travel through the workplace, in addition to addressing stationary work.
  - (E) For indoor locations, the employer shall evaluate how to maximize ventilation with outdoor air; the highest level of filtration efficiency compatible with the existing ventilation system; and whether the use of portable or mounted High Efficiency Particulate Air (HEPA) filtration units, or other air cleaning systems, would reduce the risk of COVID-19 transmission.
  - (F) The employer shall review applicable orders and guidance from the State of California and the local health department related to COVID-19 hazards and prevention. These orders and guidance are both information of general application, including Interim



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guidance for Ventilation, Filtration, and Air Quality in Indoor Environments by ~~the California Department of Public Health (CDPH)~~, and information specific to the employer's industry, location, and operations.

- (G) The employer shall evaluate existing COVID-19 prevention controls at the workplace and the need for different or additional controls. This includes evaluation of controls in subsections (c)(4), (c)(6), and (c)(7).
- (H) The employer shall conduct periodic inspections as needed to identify unhealthy conditions, work practices, and work procedures related to COVID-19 and to ensure compliance with employers' COVID-19 policies and procedures.
- (3) Investigating and responding to COVID-19 cases in the workplace.
- (A) Employers shall have an effective procedure to investigate COVID-19 cases in the workplace. This includes procedures for seeking information from employees regarding COVID-19 cases and close contacts, COVID-19 test results, and onset of COVID-19 symptoms, and identifying and recording COVID-19 cases.
- (B) The employer shall take the following actions when there has been a COVID-19 case at the place of employment:
1. Determine the day and time the COVID-19 case was last present and, to the extent possible, the date of the positive COVID-19 test(s) and/or diagnosis, and the date the COVID-19 case first had one or more COVID-19 symptoms, if any were experienced.
  2. Determine who may have had a close contact. This requires an evaluation of the activities of the COVID-19 case and all locations at the workplace which may have been visited by the COVID-19 case during the ~~high-risk exposure~~ infectious period.  
NOTE: See subsection (c)(9) for exclusion requirements for employees after a close contact.
  3. Within one business day of the time the employer knew or should have known of a COVID-19 case, the employer shall give written notice, in a form readily understandable by employees, that people at the worksite may have been exposed to COVID-19. The notice shall be written in a way that does not reveal any personal identifying information of the COVID-19 case, and in the manner the employer normally uses to communicate employment-related information. Written notice may include, but is not limited to, personal service, email, or text message if it can reasonably be anticipated to be received by the employee within one business day

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of sending. The notice shall include the cleaning and disinfection plan required by Labor Code section 6409.6(a)(4). The notice must be sent to the following:

- a. All employees who were on the premises at the same worksite as the COVID-19 case during the ~~high-risk exposure~~ infectious period. If the employer should reasonably know that an employee has not received the notice, or has limited literacy in the language used in the notice, the employer shall provide verbal notice, as soon as practicable, in a language understandable by the employee.
  - b. Independent contractors and other employers on the premises at the same worksite as the COVID-19 case during the ~~high-risk exposure~~ infectious period.
4. Within one business day of the time the employer knew or should have known of the COVID-19 case, the employer shall:
- a. provide the notice required by Labor Code section 6409.6(a)(2) and (c) to the authorized representative, if any, of the COVID-19 case and of any employee who had a close contact; and
  - b. provide the notice required by Labor Code section 6409.6(a)(4) to the authorized representative, if any, of any employee who was on the premises at the same worksite as the COVID-19 case during the ~~high-risk exposure~~ infectious period.
5. Make COVID-19 testing available at no cost, during paid time, to all employees of the employer who had a close contact in the workplace and provide them with the information on benefits described in subsections (c)(5)(B) and (c)(9)~~(D)~~(C).

EXCEPTION TO subsection (c)(3)(B)5.: The employer is not required to make COVID-19 testing available to returned cases~~COVID-19 cases who returned to work pursuant to subsection 3205(c)(10)(A) or (B) and have remained free of COVID-19 symptoms, for 90 days after the initial onset of COVID-19 symptoms or, for COVID-19 cases who never developed symptoms, for 90 days after the first positive test.~~

6. Investigate whether workplace conditions could have contributed to the risk of COVID-19 exposure and what could be done to reduce exposure to COVID-19 hazards.
- (C) Personal identifying information of COVID-19 cases or persons with COVID-19 symptoms, and any employee medical records required by this section or by sections 3205.1 through 3205.4, shall be kept confidential unless disclosure is required or permitted by law. Unredacted information on COVID-19 cases shall be provided to the

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local health department, CDPH, the Division, and NIOSH immediately upon request, and when required by law.

- (4) Correction of COVID-19 hazards. Employers shall implement effective policies and/or procedures for correcting unsafe or unhealthy conditions, work practices, policies and procedures in a timely manner based on the severity of the hazard. This includes, but is not limited to, implementing controls and/or policies and procedures in response to the evaluations conducted under subsections (c)(2) and (c)(3) and implementing the controls required by subsections (c)(6) and (c)(7).
- (5) Training and instruction. The employer shall provide effective training and instruction to employees that includes the following:
- (A) The employer's COVID-19 policies and procedures to protect employees from COVID-19 hazards, and how to participate in the identification and evaluation of COVID-19 hazards under subsection (c)(2)(A).
- (B) Information regarding COVID-19-related benefits to which the employee may be entitled under applicable federal, state, or local laws. This includes any benefits available under legally mandated sick and vaccination leave, if applicable, workers' compensation law, local governmental requirements, the employer's own leave policies, leave guaranteed by contract, and this section.
- (C) The fact that COVID-19 is an infectious disease that can be spread through the air when an infectious person talks or vocalizes, sneezes, coughs, or exhales; that COVID-19 may be transmitted when a person touches a contaminated object and then touches their eyes, nose, or mouth, although that is less common; and that an infectious person may have no symptoms.
- (D) The fact that particles containing the virus can travel more than six feet, especially indoors, so physical distancing, face coverings, increased ventilation indoors, and respiratory protection decrease the spread of COVID-19, but are most effective when used in combination.
- (E) The employer's policies for providing respirators, and the right of employees ~~who are not fully vaccinated~~ to request a respirator for voluntary use as stated in this section, without fear of retaliation and at no cost to employees. Whenever respirators are provided for voluntary use under this section or sections 3205.1 through 3205.4, the employer shall provide effective training and instruction to employees regarding:
1. How to properly wear the respirator provided;

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2. How to perform a seal check according to the manufacturer's instructions each time a respirator is worn, and the fact that facial hair interferes with a seal.
- (F) The importance of frequent hand washing with soap and water for at least 20 seconds and using hand sanitizer when employees do not have immediate access to a sink or hand washing facility, and that hand sanitizer does not work if the hands are soiled.
- (G) Proper use of face coverings and the fact that face coverings are not respiratory protective equipment. COVID-19 is an airborne disease. N95s and more protective respirators protect the users from airborne disease while face coverings primarily protect people around the user.
- (H) COVID-19 symptoms, and the importance of not coming to work and obtaining a COVID-19 test if the employee has COVID-19 symptoms.
- (I) Information on the employer's COVID-19 policies; how to access COVID-19 testing and vaccination; and the fact that vaccination is effective at preventing COVID-19, protecting against both transmission and serious illness or death.
- (J) The conditions under which face coverings must be worn at the workplace and that ~~face coverings are additionally recommended outdoors for people who are not fully vaccinated if six feet of distance between people cannot be maintained.~~ Employees can request face coverings from the employer at no cost to the employee and can wear them at work, regardless of vaccination status, without fear of retaliation.
- (6) Face coverings.
- ~~(A) For all employees who are not fully vaccinated, employers shall provide face coverings and ensure they are worn when indoors or in vehicles.~~
- ~~(B)~~ (A) Employers shall provide face coverings and ensure they are worn by employees when required by orders from ~~the~~ CDPH.
- ~~(C)~~ (B) Employers shall ensure that required face coverings are clean and undamaged, and that they are worn over the nose and mouth. Face shields are not a replacement for face coverings, although they may be worn together for additional protection.
- ~~(D)~~ (C) When employees are required to wear face coverings under this section or sections 3205.1 through 3205.4, the following exceptions apply:
1. When an employee is alone in a room or vehicle.

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2. While eating or drinking at the workplace, provided employees are at least six feet apart and outside air supply to the area, if indoors, has been maximized to the extent feasible.
  3. Employees wearing respirators required by the employer and used in compliance with section 5144.
  4. Employees who cannot wear face coverings due to a medical or mental health condition or disability, or who are hearing-impaired or communicating with a hearing-impaired person.
  5. Specific tasks which cannot feasibly be performed with a face covering. This exception is limited to the time period in which such tasks are actually being performed.
- ~~(E)~~(D) Employees exempted from wearing face coverings pursuant to subsection (c)(6)~~(D)~~(C)4. due to a medical condition, mental health condition, or disability shall wear an effective non-restrictive alternative, such as a face shield with a drape on the bottom, if their condition or disability permits it. If their condition or disability does not permit a non-restrictive alternative, the employee shall be ~~at least six feet apart from all other persons and either fully vaccinated or tested~~ at least weekly for COVID-19 during paid time and at no cost to the employee.
- ~~(F)~~(E) Any employee not wearing a face covering, pursuant to the exception in subsection (c)(6)~~(D)~~(C)5. shall be ~~at least six feet apart from all other persons unless the unmasked employee is either fully vaccinated or tested~~ at least weekly for COVID-19 during paid time and at no cost to the employee. Employers may not use the provisions of subsection (c)(6)~~(F)~~(E) as an alternative to face coverings when face coverings are otherwise required by this section.
- ~~(G)~~(F) No employer shall prevent any employee from wearing a face covering when not required by this section, unless it would create a safety hazard, such as interfering with the safe operation of equipment.
- ~~(H)~~(G) When face coverings are not required by this section or by sections 3205.1 through 3205.4, employers shall provide face coverings to employees upon request, regardless of vaccination status.
- ~~(H)~~(H) Employers shall implement measures to communicate to non-employees the face coverings requirements on their premises.
- (7) Other engineering controls, administrative controls, and personal protective equipment.

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(A) For buildings with mechanical or natural ventilation, or both, employers shall maximize the quantity of outside air provided to the extent feasible, except when the United States Environmental Protection Agency (EPA) Air Quality Index is greater than 100 for any pollutant or if opening windows or maximizing outdoor air by other means would cause a hazard to employees, for instance from excessive heat or cold.

~~(B)~~ Employers shall implement cleaning and disinfecting procedures, which require:

~~1. Identifying and regularly cleaning frequently touched surfaces and objects, such as doorknobs, elevator buttons, equipment, tools, handrails, handles, controls, phones, headsets, bathroom surfaces, and steering wheels. The employer shall inform employees and authorized employee representatives of cleaning and disinfection protocols, including the planned frequency and scope of cleaning and disinfection.~~

~~2. Cleaning of areas, material, and equipment used by a COVID-19 case during the high-risk exposure period, and disinfection if the area, material, or equipment is indoors and will be used by another employee within 24 hours of the COVID-19 case.~~

~~NOTE: Cleaning and disinfecting must be done in a manner that does not create a hazard to employees. See Group 2 and Group 16 of the General Industry Safety Orders for further information.~~

~~(C)~~(B) To protect employees from COVID-19 hazards, the employer shall evaluate its handwashing facilities, determine the need for additional facilities, encourage and allow time for employee handwashing, and provide employees with an effective hand sanitizer. Employers shall encourage employees to wash their hands for at least 20 seconds each time. Provision or use of hand sanitizers with methyl alcohol is prohibited.

~~(D)~~(C) Personal protective equipment.

1. Employers shall evaluate the need for personal protective equipment to prevent exposure to COVID-19 hazards, such as gloves, goggles, and face shields, and provide such personal protective equipment as needed.

2. Upon request, employers shall provide respirators for voluntary use in compliance with subsection 5144(c)(2) to all employees ~~who are not fully vaccinated and who~~ are working indoors or in vehicles with more than one person. Whenever an employer makes respirators for voluntary use available, under this section or

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sections 3205.1 through 3205.4, the employer shall encourage their use and shall ensure that employees are provided with a respirator of the correct size.

3. Employers shall provide and ensure use of respirators in compliance with section 5144 when deemed necessary by the Division through the Issuance of Order to Take Special Action, in accordance with title 8, section 332.3.

4. Employers shall provide and ensure use of eye protection and respiratory protection in compliance with section 5144 when employees are exposed to procedures that may aerosolize potentially infectious material such as saliva or respiratory tract fluids.

NOTE: Examples of work covered by subsection (c)(7)(~~D~~)(C)4. include, but are not limited to, certain dental procedures and outpatient medical specialties not covered by section 5199.

~~(E)~~(D) Testing of symptomatic employees. Employers shall make COVID-19 testing available at no cost to employees with COVID-19 symptoms ~~who are not fully vaccinated~~, during employees' paid time.

(8) Reporting, recordkeeping, and access.

(A) The employer shall report information about COVID-19 cases and outbreaks at the workplace to the local health department whenever required by law, and shall provide any related information requested by the local health department. The employer shall report all information to the local health department as required by Labor Code section 6409.6.

(B) The employer shall maintain records of the steps taken to implement the written COVID-19 Prevention Program in accordance with section 3203(b).

(C) The written COVID-19 Prevention Program shall be made available at the workplace to employees, authorized employee representatives, and to representatives of the Division immediately upon request.

(D) The employer shall keep a record of and track all COVID-19 cases with the employee's name, contact information, occupation, location where the employee worked, the date of the last day at the workplace, and the date of a positive COVID-19 test.

(9) Exclusion of COVID-19 cases and employees who had a close contact. The purpose of this subsection is to limit transmission of COVID-19 in the workplace.

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(A) Employers shall ensure that COVID-19 cases are excluded from the workplace until the return to work requirements of subsection (c)(10) are met.

(B) Employers shall review current CDPH guidance for persons who had close contacts, including any guidance regarding quarantine or other measures to reduce transmission. Employers shall develop, implement, and maintain effective policies to prevent transmission of COVID-19 by persons who had close contacts.

~~Employers shall exclude from the workplace employees who had a close contact until the return to work requirements of subsection (c)(10) are met, unless one of the exceptions in subsections (c)(9)(B)1., 2. or 3. applies.~~

~~1. Employees who were fully vaccinated before the close contact and who do not develop COVID-19 symptoms do not need to be excluded if they wear a face covering and maintain six feet of distance from others at the workplace for 14 days following the last date of close contact.~~

~~2. COVID-19 cases who returned to work pursuant to subsection (c)(10)(A) and have remained free of COVID-19 symptoms do not need to be excluded from the workplace for 90 days after the initial onset of COVID-19 symptoms. This exception only applies if these employees wear a face covering and maintain six feet of distance from others while at the workplace for 14 days following the last date of close contact.~~

~~3. COVID-19 cases who returned to work pursuant to subsection (c)(10)(B) who never developed COVID-19 symptoms do not need to be excluded from the workplace for 90 days after the first positive test. This exception only applies if these employees wear a face covering and maintain six feet of distance from others while at the workplace for 14 days following the last date of close contact.~~

~~(C) If the employer does not exclude an employee who had a close contact as permitted by exceptions in subsections (c)(9)(B)1., 2. or 3., the employer shall provide the employee with information about any applicable precautions recommended by CDPH for persons with close contact.~~

~~(D)~~(C) For employees excluded from work under subsection (c)(9), employers shall continue and maintain an employee's earnings, wages, seniority, and all other employee rights and benefits, including the employee's right to their former job status, as if the employee had not been removed from their job. Employers may use employer-provided employee sick leave for this purpose to the extent permitted by law. Wages due under this subsection are subject to existing wage payment obligations and must be paid at the employee's regular rate of pay no later than the



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regular pay day for the pay period(s) in which the employee is excluded. Unpaid wages owed under this subsection are subject to enforcement through procedures available in existing law. If an employer determines that one of the exceptions below applies, it shall inform the employee of the denial and the applicable exception.

EXCEPTION 1: Subsection (c)(9)~~(D)~~(C) does not apply where the employee received disability payments or was covered by workers' compensation and received temporary disability.

EXCEPTION 2: Subsection (c)(9)~~(D)~~(C) does not apply where the employer demonstrates that the close contact is not work related.

~~(E)~~(D) Subsection (c)(9) does not limit any other applicable law, employer policy, or collective bargaining agreement that provides for greater protections.

~~(F)~~(E) At the time of exclusion, the employer shall provide the employee the information on benefits described in subsections (c)(5)(B) and (c)(9)~~(D)~~(C).

(10) Return to work criteria. The following return to work criteria shall apply to COVID-19 cases and employees excluded under sections 3205.1 and 3205.2. The employer must demonstrate it has met the applicable requirements below:

(A) COVID-19 cases, regardless of vaccination status or previous infection, who do not develop COVID-19 symptoms or whose COVID-19 symptoms are resolving, shall not return to work until:

1. At least five days have passed from the date that COVID-19 symptoms began or, if the person does not develop COVID-19 symptoms, from the date of first positive COVID-19 test;

2. At least 24 hours have passed since a fever of 100.4 degrees Fahrenheit or higher has resolved without the use of fever reducing medications; and

3. A negative COVID-19 test from a specimen collected on the fifth day or later is obtained; or, if unable to test or the employer chooses not to require a test, 10 days

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have passed from the date that COVID-19 symptoms began or, if the person does not develop COVID-19 symptoms, from the date of first positive COVID-19 test.

(B) COVID-19 cases, regardless of vaccination status or previous infection, whose COVID-19 symptoms are not resolving, may not return to work until:

1. At least 24 hours have passed since a fever of 100.4 degrees Fahrenheit or higher has resolved without the use of fever-reducing medication; and
2. Symptoms are resolving or 10 days have passed from when the symptoms began.

(C) Regardless of vaccination status, previous infection, or lack of COVID-19 symptoms, a COVID-19 case shall wear a face covering in the workplace until 10 days have passed since the date that COVID-19 symptoms began or, if the person did not have COVID-19 symptoms, from the date of their first positive COVID-19 test.

(D) The requirements in subsections (c)(10)(A) and (c)(10)(B) apply regardless of whether an employee has previously been excluded or other precautions were taken in response to an employee's close contact or membership in an exposed group.

~~(A) COVID-19 cases with COVID-19 symptoms shall not return to work until:~~

- ~~1. At least 24 hours have passed since a fever of 100.4 degrees Fahrenheit or higher has resolved without the use of fever-reducing medications; and~~
- ~~2. COVID-19 symptoms have improved; and~~
- ~~3. At least 10 days have passed since COVID-19 symptoms first appeared.~~

~~(B) COVID-19 cases who tested positive but never developed COVID-19 symptoms shall not return to work until a minimum of 10 days have passed since the date of specimen collection of their first positive COVID-19 test.~~

~~(C) Once a COVID-19 case has met the requirements of subsection (c)(10)(A) or (B), as applicable, a negative COVID-19 test shall not be required for an employee to return to work.~~

~~(D) Persons who had a close contact may return to work as follows:~~

- ~~1. Persons who had a close contact but never developed any COVID-19 symptoms may return to work after 14 days have passed since the last known close contact unless either of the exceptions in subsections (c)(10)(D)1.a. or b. applies:~~
  - ~~a. Ten days have passed since the last known close contact and the person wears a face covering and maintains six feet of distance from others while at the workplace for 14 days following the last date of close contact.~~

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~~b. Seven days have passed since the last known close contact; the person tested negative for COVID-19 using a COVID-19 test with the specimen taken at least five days after the last known close contact; and the person wears a face covering and maintains six feet of distance from others while at the workplace for 14 days following the last date of close contact.~~

~~2. Persons who had a close contact and developed any COVID-19 symptom cannot return to work until the requirements of subsection (c)(10)(A) have been met.~~

(E) If an order to isolate, quarantine, or exclude an employee is issued by a local or state health official, the employee shall not return to work until the period of isolation or quarantine is completed or the order is lifted. If no period was specified, then the period shall be in accordance with the return to work periods in subsection (c)(10)(A), (c)(10)(B), or (c)(10)(D), as applicable.

(F) If no violations of local or state health officer orders for isolation, quarantine, or exclusion would result, the Division may, upon request, allow employees to return to work on the basis that the removal of an employee would create undue risk to a community's health and safety. In such cases, the employer shall develop, implement, and maintain effective control measures to prevent transmission in the workplace including providing isolation for the employee at the workplace and, if isolation is not feasible, the use of respirators in the workplace.

Note: Authority cited: Section 142.3, Labor Code. Reference: Sections 142.3, 144.6, and 6409.6, Labor Code.

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Add new section 3205.1 to read:

§ 3205.1. Multiple COVID-19 Infections and COVID-19 Outbreaks.

(a) Scope.

- (1) This section applies to a workplace covered by section 3205 if three or more employee COVID-19 cases within an exposed group, as defined by section 3205(b), visited the workplace during their ~~high risk exposure~~ infectious period at any time during a 14-day period.
- (2) This section shall apply until there are no new COVID-19 cases detected in the exposed group for a 14-day period.

(b) COVID-19 testing.

- (1) The employer shall make COVID-19 testing available at no cost to its employees within the exposed group, during employees' paid time, except:
  - (A) Employees who were not present at the workplace during the relevant 14-day period(s) under subsection (a).
  - (B) For ~~COVID-19 returned~~ cases who did not develop COVID-19 symptoms after returning to work pursuant to subsections 3205(c)(10)(A) or (B), no testing is required ~~for 90 days after the initial onset of COVID-19 symptoms or, for COVID-19 cases who never developed symptoms, 90 days after the first positive test.~~
- (2) COVID-19 testing shall consist of the following:
  - (A) Immediately upon being covered by this section, the employer shall make testing ~~shall be made~~ available to all employees in the exposed group, regardless of vaccination status, and then again one week later. Negative COVID-19 test results of employees with COVID-19 exposure shall not impact the duration of any quarantine, isolation, or exclusion period required by, or orders issued by, the local health department.
  - (B) After the first two COVID-19 tests required by subsection (b)(2)(A), employers shall make COVID-19 testing available once a week at no cost, during paid time, to all employees in the exposed group who remain at the workplace, or more frequently if recommended by the local health department, until this section no longer applies pursuant to subsection (a)(2).
  - (C) Employees who had close contacts shall have a negative COVID-19 test taken within three and five days after the close contact or shall be excluded and follow the return

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to work requirements of subsection 3205(c)(10) starting from the date of the last known close contact.

- (c) Employers shall make additional testing available at no cost to employees, during employees' paid time, when deemed necessary by the Division through the Issuance of Order to Take Special Action, in accordance with title 8, section 332.3.
- (d) The employer shall continue to comply with all applicable provisions of section 3205, and shall also do the following:
- (1) Employees in the exposed group shall wear face coverings when indoors, or when outdoors and less than six feet from another person, unless one of the exceptions in subsection 3205(c)(6)(D)(C) applies.
  - (2) Employers shall give notice to employees in the exposed group of their right to request a respirator for voluntary use under subsection 3205(c)(7)(D)(C)2., ~~if they are not fully vaccinated.~~
  - (3) Employers shall evaluate whether to implement physical distancing of at least six feet between persons or, where six feet of physical distancing is not feasible, as much distance between persons as feasible ~~the use of cleanable solid partitions of sufficient size to reduce COVID-19 transmission.~~
- (e) COVID-19 Investigation, review and hazard correction. The employer shall immediately perform a review of potentially relevant COVID-19 policies, procedures, and controls and implement changes as needed to prevent further spread of COVID-19. The investigation and review shall be documented and include:
- (1) Investigation of new or unabated COVID-19 hazards including the employer's leave policies and practices and whether employees are discouraged from remaining home when sick; the employer's COVID-19 testing policies; insufficient outdoor air; insufficient air filtration; and lack of physical distancing.
  - (2) The review shall be updated every 30 days that this section continues to apply, in response to new information or to new or previously unrecognized COVID-19 hazards, or when otherwise necessary.
  - (3) The employer shall implement changes to reduce the transmission of COVID-19 based on the investigation and review required by subsections (e)(1) and (e)(2). The employer shall consider moving indoor tasks outdoors or having them performed remotely, increasing outdoor air supply when work is done indoors, improving air filtration, increasing

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physical distancing as much as feasible, requiring respiratory protection in compliance with section 5144, and other applicable controls.

- (f) In buildings or structures with mechanical ventilation, employers shall filter recirculated air with Minimum Efficiency Reporting Value (MERV) 13 or higher efficiency filters if compatible with the ventilation system. If MERV-13 or higher filters are not compatible with the ventilation system, employers shall use filters with the highest compatible filtering efficiency. Employers shall also evaluate whether portable or mounted High Efficiency Particulate Air (HEPA) filtration units or other air cleaning systems would reduce the risk of transmission and, if so, shall implement their use to the degree feasible.

Note: Authority cited: Section 142.3, Labor Code. Reference: Sections 142.3 and 144.6, Labor Code.

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Add new section 3205.2 to read:

§ 3205.2. Major COVID-19 Outbreaks.

(a) Scope.

- (1) This section applies to any workplace covered by section 3205 if 20 or more employee COVID-19 cases in an exposed group, as defined by section 3205(b), visited the workplace during their ~~high risk exposure~~ infectious period within a 30-day period.
- (2) This section shall apply until there are fewer than three COVID-19 cases detected in the exposed group for a 14-day period.

(b) Employers shall continue to comply with section 3205.1, except that the COVID-19 testing described in section 3205.1(b) shall be required of ~~made available to~~ all employees in the exposed group, regardless of vaccination status, twice a week or more frequently if recommended by the local health department. Employees in the exposed group shall be tested or shall be excluded and follow the return to work requirements of subsection 3205(c)(10) starting from the date that the outbreak begins.

(c) In addition to the requirements of sections 3205 and 3205.1, the employer shall take the following actions:

- (1) The employer shall provide a respirator for voluntary use in compliance with subsection 5144(c)(2) to employees in the exposed group and shall determine the need for a respiratory protection program or changes to an existing respiratory protection program under section 5144 to address COVID-19 hazards.
- (2) Any employees in the exposed group who are not wearing respirators required by the employer and used in compliance with section 5144 shall be separated from other persons by at least six feet, except where an employer can demonstrate that six feet of separation is not feasible, and except for momentary exposure while persons are in movement. Methods of physical distancing include: telework or other remote work arrangements; reducing the number of persons in an area at one time, including visitors; visual cues such as signs and floor markings to indicate where employees and others should be located or their direction and path of travel; staggered arrival, departure, work, and break times; and adjusted work processes or procedures, such as reducing production speed, to allow greater distance between employees. When it is not feasible to maintain a distance of at least six feet, individuals shall be as far apart as feasible.
- ~~(3) At work stations where an employee in the exposed group is assigned to work for an extended period of time, such as cash registers, desks, and production line stations, and where the physical distancing requirement in subsection (c)(2) is not maintained at all~~

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~~times, the employer shall install cleanable solid partitions that effectively reduce transmission between the employee and other persons.~~

~~(4)~~(3) The employer shall evaluate whether to halt some or all operations at the workplace until COVID-19 hazards have been corrected.

~~(5)~~(4) Any other control measures deemed necessary by the Division through the Issuance of Order to Take Special Action, in accordance with title 8 section 332.3.

Note: Authority cited: Section 142.3, Labor Code. Reference: Sections 142.3 and 144.6, Labor Code.



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TITLE 8, DIVISION 1, CHAPTER 4

Add new section 3205.3 to read:

§ 3205.3. COVID-19 Prevention in Employer-Provided Housing.

(a) Scope. This section applies to employer-provided housing. Employer-provided housing is any place or area of land, any portion of any housing accommodation, or property upon which a housing accommodation is located, consisting of: living quarters, dwelling, boardinghouse, tent, bunkhouse, maintenance-of-way car, mobile home, manufactured home, recreational vehicle, travel trailer, or other housing accommodations. Employer-provided housing includes a "labor camp" as that term is used in title 8 of the California Code of Regulations or other regulations or codes. The employer-provided housing may be maintained in one or more buildings or one or more sites, including hotels and motels, and the premises upon which they are situated, or the area set aside and provided for parking of mobile homes or camping. Employer-provided housing is housing that is arranged for or provided by an employer, other person, or entity to workers, and in some cases to workers and persons in their households, in connection with the workers' employment, whether or not rent or fees are paid or collected.

The following exceptions apply:

- (1) This section does not apply to housing provided for the purpose of emergency response, including firefighting, rescue, and evacuation, and support activities directly aiding response such as utilities, communications, and medical operations, if:
  - (A) The employer is a government entity; or
  - (B) The housing is provided temporarily by a private employer and is necessary to conduct the emergency response operations.
- (2) Subsections (c), (d), (e), ~~and (g)(f), and (h)~~ do not apply to residents who maintained a household together prior to residing in employer-provided housing, such as family members, when no other persons outside the household are present.
- (3) This section does not apply to employees with occupational exposure as defined by section 5199, when covered by that section.
- (4) This section does not apply to employer-provided housing used exclusively to house COVID-19 cases or where a housing unit houses one employee.

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~~(5) Subsections (b) through (f) do not apply to housing in which all residents are fully vaccinated.~~

(b) Assignment of housing units. To the extent feasible, employers shall reduce exposure to COVID-19 hazards by assigning employee residents to distinct groups and ensuring that each group remains separate from other such groups during transportation and work. Employers shall ensure that shared housing unit assignments are prioritized in the following order:

- (1) Residents who usually maintain a household together outside of work, such as family members, shall be housed in the same housing unit without other persons.
- (2) Residents who work in the same crew or work together at the same workplace shall be housed in the same housing unit without other persons.
- (3) Employees who do not usually maintain a common household, work crew, or workplace shall be housed in the same housing unit only when no other housing alternatives are feasible.

(c) Ventilation. In housing units, employers shall maximize the quantity and supply of outdoor air and increase filtration efficiency to the highest level compatible with the existing ventilation system. If there is not a Minimum Efficiency Reporting Value (MERV) 13 or higher filter in use, portable or mounted High Efficiency Particulate Air (HEPA) filtration units shall be used, to the extent feasible, in all sleeping areas.

(d) Face coverings. Employers shall provide face coverings to all residents and provide information and training to residents on when ~~they~~ face coverings should be used in accordance with ~~state or local health officer~~ orders or guidance from CDPH and from the local health department.

~~(e) Cleaning and disinfecting.~~

- ~~(1) Employers shall ensure that housing units, kitchens, bathrooms, and common areas are effectively cleaned to prevent the spread of COVID-19. Housing units, kitchens, bathrooms, and indoor common areas shall be cleaned and disinfected after a COVID-19 case was present during the high-risk exposure period, if another resident will be there within 24 hours of the COVID-19 case. Cleaning and disinfecting shall be done in a manner that protects the privacy of residents.~~

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~~(2) Employers shall instruct residents not to share unwashed dishes, drinking glasses, cups, eating utensils, and similar items.~~

~~(f)~~(e) Screening. The employer shall encourage residents to report COVID-19 symptoms to the employer.

~~(e)~~(f) COVID-19 testing. The employer shall establish, implement, and maintain effective policies and procedures for COVID-19 testing of residents who had a close contact. Employers shall test all residents of employer-provided housing in which there were three or more COVID-19 cases in 14 days. These policies and procedures shall be communicated to the residents.

~~(h)~~(g) COVID-19 cases and close contacts.

(1) Employers shall effectively quarantine residents who have had a close contact from all other residents. Effective quarantine shall include providing residents who had a close contact with a private bathroom and sleeping area. ~~The following residents are exempt from this requirement: COVID-19 cases who have met the requirements of subsection 3205(c)(10)(A) or (B) and have remained free of COVID-19 symptoms, for 90 days after the initial onset of COVID-19 symptoms or, for COVID-19 cases who never developed COVID-19 symptoms, for 90 days after the first positive test.~~

(2) Employers shall effectively isolate COVID-19 cases from all residents who are not COVID-19 cases. Effective isolation shall include housing COVID-19 cases only with other COVID-19 cases, and providing COVID-19 case residents with a sleeping area and bathroom that is not shared by non-COVID-19 case residents.

(3) Personal identifying information regarding COVID-19 cases and persons with COVID-19 symptoms shall be kept confidential in accordance with subsection 3205(c)(3)(C).

(4) Employers shall end isolation in accordance with subsections 3205(c)(9) and (c)(10) and any applicable local or state health officer orders.

Note: Authority cited: Section 142.3, Labor Code. Reference: Sections 142.3 and 144.6, Labor Code.

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Add new section 3205.4 to read:

§ 3205.4. COVID-19 Prevention in Employer-Provided Transportation.

(a) Scope. This section applies to employer-provided motor vehicle transportation, which is any transportation of an employee during the course and scope of employment, including transportation to and from different workplaces, jobsites, delivery sites, buildings, stores, facilities, and agricultural fields, provided, arranged for, or secured by an employer regardless of the travel distance or duration involved. The following exceptions apply:

- (1) This section does not apply if the driver and all passengers are from the same household outside of work, such as family members, or if the driver is alone in the vehicle.
- (2) This section does not apply to employer-provided transportation when necessary for emergency response, including firefighting, rescue, and evacuation, and support activities directly aiding response such as utilities, communications, and medical operations.
- (3) This section does not apply to employees with occupational exposure as defined by section 5199, when covered by that section.
- ~~(4) This section does not apply to vehicles in which all employees are fully vaccinated.~~
- ~~(5)~~(4) This section does not apply to public transportation.

(b) Assignment of transportation. To the extent feasible, employers shall reduce exposure to COVID-19 hazards by assigning employees sharing vehicles to distinct groups and ensuring that each group remains separate from other such groups during transportation, during work activities, and in employer-provided housing. Employers shall prioritize shared transportation assignments in the following order:

- (1) Employees residing in the same housing unit shall be transported in the same vehicle.
- (2) Employees working in the same crew or workplace shall be transported in the same vehicle.

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(3) Employees who do not share the same household, work crew or workplace shall be transported in the same vehicle only when no other transportation alternatives are feasible.

(c) Face coverings and respirators. Employers shall ensure that:

(1) Face covering requirements of subsection 3205(c)(6), if applicable, are followed for employees waiting for transportation.

~~(2) All employees are provided with a face covering, which must be worn unless an exception under subsection 3205(c)(6)(D) applies.~~

(2) Employers shall review CDPH and local health department recommendations regarding face coverings and implement face covering policies that effectively eliminate or minimize transmission in vehicles.

(3) Employers shall provide training to employees on CDPH and local health department recommendations regarding face coverings and the employer's own policies.

~~(3)(4) Upon request, employers shall provide respirators for voluntary use in compliance with subsection 5144(c)(2) to all employees in the vehicle who are not fully vaccinated.~~

(d) Screening. Employers shall develop, implement, and maintain effective procedures for screening and excluding drivers and riders with COVID-19 symptoms prior to boarding shared transportation.

~~(e) Cleaning and disinfecting. Employers shall ensure that:~~

~~(1) All high contact surfaces (door handles, seatbelt buckles, armrests, etc.) used by passengers are cleaned to prevent the spread of COVID-19 and must be cleaned and disinfected if used by a COVID-19 case during the high risk exposure period, when the surface will be used by another employee within 24 hours of the COVID-19 case.~~

~~(2) All high contact surfaces used by drivers, such as the steering wheel, armrests, seatbelt buckles, door handles and shifter, shall be cleaned to prevent the spread of COVID-19 between different drivers and are disinfected after use by a COVID-19~~

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~~ease during the high risk exposure period, if the surface will be used by another employee within 24 hours of the COVID-19 case.~~

~~(3) Employers shall provide sanitizing materials and ensure they are kept in adequate supply.~~

~~(f)~~(e) Ventilation. Employers shall ensure that vehicle windows are kept open, and the ventilation system set to maximize outdoor air and not set to recirculate air. Windows do not have to be kept open if one or more of the following conditions exist:

- (1) The vehicle has functioning air conditioning in use and excessive outdoor heat would create a hazard to employees.
- (2) The vehicle has functioning heating in use and excessive outdoor cold would create a hazard to employees.
- (3) Protection is needed from weather conditions, such as rain or snow.
- (4) The vehicle has a cabin air filter in use and the U.S. EPA Air Quality Index for any pollutant is greater than 100.

~~(g)~~(f) Hand hygiene. Employers shall provide hand sanitizer in each vehicle and ensure that all drivers and riders sanitize their hands before entering and exiting the vehicle. Hand sanitizers with methyl alcohol are prohibited.

~~(h)~~(g) This section shall take precedence when in conflict with section 3205.

Note: Authority cited: Section 142.3, Labor Code. Reference: Sections 142.3 and 144.6, Labor Code.



## What Employers and Workers Need to Know about COVID-19 Isolation & Quarantine

May 6, 2022

This fact sheet provides employers and workers not covered by the **Aerosol Transmissible Diseases standard** with information on when and for how long workers must be excluded from the workplace if they test positive or are exposed to someone who has COVID-19.

Department of Public Health (CDPH) isolation and quarantine periods guidance from April 6, 2022 and the third re-adoption of the Cal/OSHA

More information is available on [Cal/OSHA's ETS FAQs](#) and [CDPH's Isolation and Quarantine Guidance](#).

Employees who test positive for COVID-19 must be excluded from the workplace as described in Table 1. For employees who had a close contact, employers must review [CPDH guidance](#) and implement quarantine and other measures in the workplace to prevent COVID-19 transmission in the workplace. Please refer to table 2 and table 3 below for CDPH quarantine guidance after close contact.

day following the onset of symptoms or

**Table 1: Exclusion Requirements for Employees Who Test Positive for COVID-19**

<p>Requirements apply to <b>all</b> employees, regardless of vaccination status, previous infection, or lack of symptoms.</p>	<ul style="list-style-type: none"> <li>• Employees who test positive for COVID-19 must be excluded from the positive test if no symptoms.</li> <li>• Isolation can end and employees may return to the workplace after day 5 if symptoms are not present or are resolving, <b>and</b> a diagnostic specimen* collected on day 5 or later tests negative.</li> <li>• If an employee's test on day 5 (or later) is positive, isolation can end and the employee may return to the workplace after day 10 if they are fever-free for 24 hours without the use of fever-reducing medications.</li> <li>• If an employee is unable to or choosing not to test <sup>i</sup>, isolation can end, and the employee may return to the workplace after day 10 if they are fever-free for 24 hours without the use of fever-reducing medications.</li> <li>• If an employee has a fever<sup>ii</sup>, isolation must continue and the employee may not return to work until 24 hours after the fever resolves without the use of fever-reducing medications.<sup>iii</sup></li> <li>• If an employee's symptoms other than fever are not resolving, they may not return to work until their symptoms are resolving or until after day 10.</li> <li>• Employees must wear face coverings around others for a total of 10 days. Please refer the FAQs regarding face coverings for additional information</li> </ul> <p>*Antigen test preferred.</p>
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<sup>i</sup> An employer may require a test. More information is available in the [Department of Fair Employment and Housing FAQ](#).

<sup>ii</sup> A fever is a measured body temperature of 100.4 degrees Fahrenheit or higher.

<sup>iii</sup> A fever resolves when 24 hours have passed with no fever, without the use of fever-reducing medications.

**Table 2: CDPH Guidance for Close Contacts – Employees Who Are Exposed to Someone with COVID-19. (Applies to All Employees Except those in High-Risk Settings)**

<p>For employees who are <b>asymptomatic</b>. Applies to all employees, regardless of vaccination status.</p>	<ul style="list-style-type: none"> <li>• contact. Persons infected within the prior 90 days do not need to be tested unless symptoms develop.</li> <li>• Employees must wear face coverings around others for a total of 10 days after exposure. Please refer to the FAQs on face coverings for additional information.</li> <li>• If an exposed employee tests positive for COVID- 19, they must follow the isolation requirements above in Table 1.</li> <li>• Employees are strongly encouraged to get vaccinated and boosted</li> </ul>
<p>For employees who are <b>symptomatic</b>. Applies to all employees, regardless of vaccination status.</p>	<ul style="list-style-type: none"> <li>• Symptomatic employees must be excluded and test as soon as possible. Exclusion must continue until test results are obtained.</li> <li>• If the employee is unable to test or choosing not to test, exclusion must continue for 10 days.</li> <li>• If the employee tests negative and returns to work earlier than 10 days after the close contact, the employee must wear a face covering around others for 10 days following the close contact.</li> <li>• CDPH recommends continuing exclusion and retesting in 1-2 days if 1-2 days of symptoms.</li> <li>• For symptomatic employees who have tested positive within the previous 90 days, using an antigen test is preferred.</li> </ul>

**Table 3: CDPH Guidance for Close Contacts – Specified High-Risk Settings**

<p>Applies to employees who are:</p> <ul style="list-style-type: none"> <li>• Not fully vaccinated, OR</li> <li>• Not infected with SARS-CoV-2 within the prior 90 days.</li> </ul> <p>AND who work in the following high-risk settings:</p> <ul style="list-style-type: none"> <li>• Emergency Shelters</li> <li>• Cooling and Heating Centers</li> <li>• Long Term Care Settings &amp; Adult and Senior Care Facilities*</li> <li>• Local correctional facilities and detention centers*</li> <li>• Healthcare settings*</li> </ul> <p>* Please note that some employees in these high-risk settings are covered by the Aerosol Transmissible Diseases standard (section 5199) see the Scope of Coverage section of the FAQ for additional information.</p>	<ul style="list-style-type: none"> <li>• Exposed employees must be excluded from work for</li> <li>• Exclusion can end and exposed employees may return to the workplace after day 5 if symptoms are not present <b>and</b> a diagnostic specimen collected on day 5 or later tests negative.</li> <li>• If an employee is unable to test or choosing not to test, and symptoms are not present, work exclusion can end and the employee may return to the workplace after day 10.</li> <li>• Employees in these settings must wear a face covering while indoors and around others in accordance with CDPH’s universal masking guidance.</li> <li>• Employees are strongly encouraged to get vaccinated or boosted.</li> <li>• If employees develop symptoms after returning to work, they must be excluded from the workplace and test as soon as possible. If employees test positive, they must follow the isolation requirements in Table 1.</li> </ul>
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### Commonly Asked Questions

#### When do workers need to be paid exclusion pay if exposed to COVID-19?

When workers are required to be excluded from work due to work-related COVID-19 exposure, they must be paid exclusion pay. Workers should speak with their employers about available exclusion pay. Some exceptions apply, for example if the worker can work from home, or they are receiving disability pay or Workers' Compensation Temporary Disability Payments.

#### What does CDPH guidance require if a worker was exposed to COVID-19 but tests are not available?

If a worker in a non-high-risk setting cannot be tested as required but never develops symptoms, the worker may continue to work but must wear a face covering for 10 days after the close contact. If the worker works in a high-risk setting, they should continue isolation for 10 days, as explained in the table.

This guidance is an overview, for full requirements see Title 8 sections [3205](#), [3205.1](#), [3205.2](#), [3205.3](#), [3205.4](#)

### Update History

- January 19, 2022 – Updated to clarify this fact sheet does not apply to workplaces covered by the Aerosol Transmissible Diseases Standard.
- May 6, 2022 – Updated to align with new CDPH guidance for general population and adding high-risk settings.



For assistance with developing a COVID-19 Prevention Program, employers may contact Cal/OSHA Consultation Services at 1 800 963 9424 or [InfoCons@dir.ca.gov](mailto:InfoCons@dir.ca.gov)

For Consultation information or publications, access the following link or copy the site address:  
**DOSHConsultation** [www.dir.ca.gov/dosh/consultation.html](http://www.dir.ca.gov/dosh/consultation.html)



## COVID-19

# How to Protect Yourself & Others

Updated Feb. 25, 2022



### Get Vaccinated and stay up to date on your COVID-19 vaccines

- [COVID-19 vaccines](#) are effective at preventing you from getting sick. [COVID-19 vaccines](#) are highly effective at preventing severe illness, hospitalizations, and death.
- Getting vaccinated is the best way to slow the spread of SARS-CoV-2, the virus that causes COVID-19.
- CDC recommends that everyone who is eligible [stay up to date on their COVID-19 vaccines](#), including [people with weakened immune systems](#).



## Wear a mask

- Everyone ages 2 years and older should properly wear a well-fitting mask indoors in public in areas where the [COVID-19 Community Level](#) is high, regardless of vaccination status.
- Wear a mask with the best fit, protection, and comfort for you.
- If you are in an area with a high [COVID-19 Community Level](#) and are ages 2 or older, wear a mask indoors in public.
- If you are sick and need to be around others, or are caring for someone who has COVID-19, wear a mask.
- If you are at increased risk for severe illness, or live with or spend time with someone at higher risk, speak to your healthcare provider about wearing a mask at medium COVID-19 Community Levels.
- People who have a condition or are taking medications that [weaken their immune system](#) may not be fully protected even if they are up to date on their COVID-19 vaccines. They should talk to their healthcare providers about what additional precautions may be necessary.
  - For more information, see [COVID-19 Vaccines for Moderately or Severely Immunocompromised People](#)

[Wearing a mask over your nose and mouth is required](#) on planes, buses, trains, and other forms of public transportation traveling into, within, or out of the United States and while indoors at U.S. transportation hubs such as airports and stations. Travelers are not required to wear a mask in outdoor areas of a conveyance (like on open deck areas of a ferry or the uncovered top deck of a bus).



## COVID-19 County Check

Find community levels and prevention steps by county.

Select a Location (all fields required)

State	↕	County
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## Stay 6 feet away from others

- Inside your home: Avoid close contact with people who are sick, if possible. If possible, maintain 6 feet between the person who is sick and other household members. If you are taking care of someone who is sick, make sure you properly wear a [well-fitting mask](#) and follow other steps to protect yourself.
- Indoors in public: If you are not [up to date on COVID-19 vaccines](#), stay at least 6 feet away from other people, especially if you are at [higher risk of getting very sick](#) with COVID-19.



## Avoid poorly ventilated spaces and crowds

- If indoors, [bring in fresh air](#) by opening windows and doors, if possible.
- If you are at [increased risk of getting very sick](#) from COVID-19, avoid crowded places and indoor spaces that do not have fresh air from the outdoors.



## Test to prevent spread to others

- You can choose from many different [types of tests](#).
- Tests for [SARS-CoV-2](#) (the virus that causes COVID-19) tell you [if you have an infection](#) at the time of the test. This type of test is called a **viral test** because it looks for viral infection.
- Regardless of the test type you select, a [positive test result](#) means that you have an infection and should [isolate](#) and inform your [close contacts](#) to avoid spreading disease to others.
- Over-the-counter [self-tests](#) are viral tests that can be used at home or anywhere, are easy to use, and produce rapid results. Anyone can use self-tests, regardless of their vaccination status or whether they have symptoms.
- COVID-19 [self-tests](#) are one of many risk-reduction measures, along with vaccination, masking, and physical distancing, that protect you and others by reducing the chances of spreading COVID-19.



## Wash your hands often

- **Wash your hands** often with soap and water for at least 20 seconds especially after you have been in a public place, or after blowing your nose, coughing, or sneezing.
- It's especially important to wash your hands:
  - Before eating or preparing food
  - Before touching your face
  - After using the restroom
  - After leaving a public place
  - After blowing your nose, coughing, or sneezing
  - After handling your mask
  - After changing a diaper
  - After caring for someone sick
  - After touching animals or pets
- If soap and water are not readily available, **use a hand sanitizer that contains at least 60% alcohol**. Cover all surfaces of your hands and rub them together until they feel dry.
- **Avoid touching your eyes, nose, and mouth** with unwashed hands.



## Cover coughs and sneezes

- **If you are wearing a mask:** You can cough or sneeze into your mask. Put on a new, clean mask as soon as possible and wash your hands.
- **If you are not wearing a mask:**
  - Always cover your mouth and nose with a tissue when you cough or sneeze, or use the inside of your elbow and do not spit.
  - Throw used tissues in the trash.
  - Immediately **wash your hands** with soap and water for at least 20 seconds. If soap and water are not readily available, clean your hands with a hand sanitizer that contains at least 60% alcohol.



## Clean and disinfect

- Clean high touch surfaces regularly or as needed and after you have visitors in your home. This includes tables, doorknobs, light switches, countertops, handles, desks, phones, keyboards, toilets, faucets, and sinks.
- **If someone is sick or has tested positive for COVID-19, disinfect frequently touched surfaces.**
  - Use a household disinfectant product from [EPA's List N: Disinfectants for Coronavirus \(COVID-19\)](#) [↗](#) according to manufacturer's labeled directions.
  - **If surfaces are dirty, clean them** using detergent or soap and water prior to disinfection.



## Monitor your health daily

- **Be alert for symptoms:**
  - Watch for fever, cough, shortness of breath, or [other symptoms of COVID-19](#).
  - **Take your temperature** if symptoms develop.
  - Don't take your temperature within 30 minutes of exercising or after taking medications that could lower your temperature, like acetaminophen.
  - Follow [CDC guidance](#) if symptoms develop.
- Monitoring symptoms is especially important if you are running errands, going into the office or workplace, and in settings where it may be difficult to keep a physical distance of 6 feet.



## Follow recommendations for quarantine

- If you come into [close contact](#) with someone with COVID-19: follow CDC's [recommendations for quarantine](#).



## Follow recommendations for isolation

- If you [test positive](#) for COVID-19 or have [symptoms](#): follow CDC's [recommendations for isolation](#).



## Take precautions when you travel

- Follow CDC's [recommendations for domestic and international travel](#).

### Additional Resources

For more information, see:

- [Families with vaccinated and unvaccinated members](#)
- [Improve How Your Mask Protects You](#)
- Information for specific groups of people (link: [COVID-19 Information for Specific Groups of People | CDC](#))



### Related Pages

- [Prevent Getting Sick](#)
- [Symptoms](#)
- [How COVID-19 Spreads](#)
- [If You Are Sick or Caring for Someone](#)
- [People at Increased Risk](#)
- [Frequently Asked Questions](#)
- [Hand Sanitizer Use](#)
- [Quarantine and Isolation](#)

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Content source: National Center for Immunization and Respiratory Diseases (NCIRD), Division of Viral Diseases





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**COUNTY OF ORANGE HEALTH OFFICER'S  
ORDERS AND STRONG RECOMMENDATIONS  
(Revised March 24, 2022)**

In light of recent Face Mask Guidance issued by the California Department of Public Health (CDPH) and certain recent orders issued by the State Public Health Officer regarding COVID-19 vaccine requirements, the following Orders and Strong Recommendations shall revise and replace the prior Orders and Strong Recommendations of the County Health Officer that were issued on March 11, 2022. The Orders and Strong Recommendations issued on March 11, 2022, are no longer in effect as of March 24, 2022.

Pursuant to California Health and Safety Code sections 101030, 101040, 101470, 120175, and 120130, the County Health Officer for County of Orange orders and strongly recommends the following:

**ORDERS**

Effective immediately, and continuing until further notice, the following shall be in effect in unincorporated and incorporated territories of Orange County, California:

**I. Self-Isolation of Persons with COVID-19 Order**

*NOTE: This Self-Isolation Order DOES NOT in any way restrict access by first responders to an isolation site during an emergency.*

**1. Persons who are symptom-free but test positive for COVID-19.**

If you do not have any COVID-19 symptoms (as defined below in this Order) but test

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positive for COVID-19, you shall immediately isolate yourself in your home or another suitable place for at least 5 days from the date you test positive and may end your self-isolation after day 5:

- If you continue not having any COVID-19 symptoms and a diagnostic specimen collected on day 5 or later tests negative.
  - While an antigen test, nucleic acid amplification test (NAAT), or LAMP test are acceptable, use of an antigen test is recommended. Use of Over-the-Counter tests are also acceptable to end isolation.

Exceptions.

- 1) If you are unable or choose not to test on day 5 or after, or if you test positive after day 5, you shall continue your self-isolation through day 10 from the date of your initial positive test and may end your self-isolation after 10 days from the date of your initial positive test.
- 2) If you develop COVID-19 symptoms during the time of your self-isolation, you shall isolate yourself for at least 10 days from the date of symptom(s) onset. You may end your self-isolation sooner if a diagnostic specimen collected on day 5 (or later) from the date of symptom(s) onset tests negative.

All persons who test positive for COVID-19 should continue to wear a well-fitting mask at all times around other people through day 10.

**2. Persons who have COVID-19 symptoms.**

If you have COVID-19 symptoms, you shall immediately isolate yourself in your home or another suitable place for 10 days from the date of your symptom(s) onset and may end your self-isolation sooner under any of the following conditions:

- If your symptoms resolve within the first 24 hours of onset without any fever reducing agents.

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- If a diagnostic specimen collected as early as the date of your symptom(s) onset tests negative.
  - While an antigen test, nucleic acid amplification test (NAAT), or LAMP test are acceptable, use of an antigen test is recommended. Use of Over-the-Counter tests are also acceptable to end isolation.
- If you obtain an alternative diagnosis from a healthcare provider.

Exception:

If you have COVID-19 symptoms and test positive for COVID-19, you shall isolate yourself for at least 10 days from the date of symptom(s) onset. You may end your self-isolation sooner if a diagnostic specimen collected on day 5 (or later) from the date of symptom(s) onset tests negative.

You are not required to self-isolate for more than 10 days from the date of your COVID-19 symptom(s) onset regardless of whether your symptoms are present on Day 11.

All persons who have COVID-19 symptoms should continue to wear a well-fitting mask at all times around other people through at least Day 10.

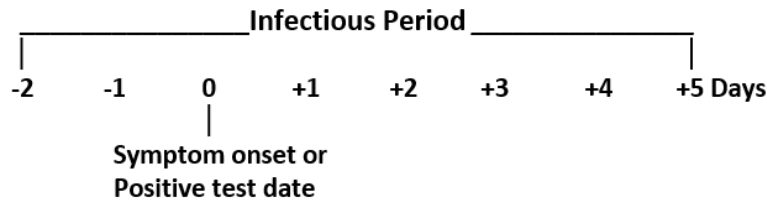
Additional Considerations for Self-Isolation.

- A person who is self-isolated may not leave his or her place of isolation except to receive necessary medical care.
- If a more specific and individualized isolation order is issued by the County Health Officer for any county resident, the resident shall follow the specific order instead of the order herein.
- People who are severely ill with COVID-19 might need to stay in self-isolation longer than 5 days and up to 20 days after symptoms first appeared. People with weakened immune systems should talk to their healthcare provider for more information.

**Timing for “Day 0”-** As noted in CDPH Isolation and Quarantine Q&A, the 5-day clock for isolation period starts on the date of symptom onset or (day 0) for people who test

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positive after symptoms develop, or initial test positive date (day 0) for those who remain asymptomatic. If an asymptomatic person develops symptoms, and test positive, date of symptom onset is day 0.



Note: In workplaces, employers and employees are subject to the Isolation and quarantine requirements as stated in the CalOSHA COVID-19 Emergency Temporary Standards (ETS) as modified by the Governor’s Executive Order N-5-22 or in some workplaces the Cal/OSHA Aerosol transmissible Diseases (ATD) Standard. Information about CalOSHA COVID-19 Emergency Temporary Standards (ETS) can be found at <https://www.dir.ca.gov/dosh/coronavirus>.

Definition.

Whenever the term “symptom” or “*COVID-19 symptom*” is used, it shall mean COVID-19 symptom. People with COVID-19 have had a wide range of symptoms reported – ranging from mild symptoms to severe illness. Symptoms may appear 2-14 days after exposure to the virus. Anyone can have mild to severe symptoms. People with these symptoms may have COVID-19:

- Fever or chills
- Cough
- Shortness of breath or difficulty breathing
- Fatigue
- Muscle or body aches
- Headache
- New loss of taste or smell
- Sore throat

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- Congestion or runny nose
- Nausea or vomiting
- Diarrhea
- The list above does not include all possible symptoms.

## **II. Face-Coverings/Masks:**

To help prevent the spread of droplets containing COVID-19, all County residents and visitors are strongly recommended to wear face coverings in accordance with and as required by the Guidance for the Use of Face Coverings issued by CDPH, effective March 1, 2022. The Guidance is attached herein as Attachment "A" and can be found at:

**A:** <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/guidance-for-face-coverings.aspx>.

Masks are required for all individuals in the following indoor settings, regardless of vaccination status:

- Public Transit and in transportation hubs- Masks guidance/requirement is subject to Federal Requirements and guidance found at <https://www.cdc.gov/coronavirus/2019-ncov/travelers/face-masks-public-transportation.html> Examples: airplanes, ships, ferries, trains, subways, buses, taxis, and ride-shares) and in transportation hubs (examples: airports, bus terminals, marina, train station, seaport or other port, subway station, or any other area that provides transportation).
- Emergency shelters and cooling and heating centers.
- Healthcare settings (applies to all healthcare settings, including those that are not covered by State Health Officer Order issued on July 26, 2021).
- Local correctional facilities and detention centers.
- Long Term Care Settings & Adult and Senior Care Facilities.

**NOTE:** In workplaces, employers are subject to the Cal/OSHA COVID-19 Emergency Temporary Standards (ETS) as modified by the [Governor's Executive Order N-5-22](#) or in

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some workplaces the Cal/OSHA Aerosol Transmissible Diseases (ATD) Standard and should consult those regulations for additional applicable requirements.

NOTE: In accordance with State Health Officer Order, issued on July 26, 2021, and found at <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Unvaccinated-Workers-In-High-Risk-Settings.aspx>, in certain healthcare situations or settings, surgical masks are required.

No person shall be prevented from wearing a mask as a condition of participation in an activity or entry into a business.

Exemptions to masks requirements.

- The following individuals are exempt from this mask order:
  - Persons younger than two years old.
  - Persons with a medical condition, mental health condition, or disability that prevents wearing a mask. This includes persons with a medical condition for whom wearing a mask could obstruct breathing or who are unconscious, incapacitated, or otherwise unable to remove a mask without assistance.
  - Persons who are hearing impaired, or communicating with a person who is hearing impaired, where the ability to see the mouth is essential for communication.
  - Persons for whom wearing a mask would create a risk to the person related to their work, as determined by local, state, or federal regulators or workplace safety guidelines.

**III. Health Care Workers COVID-19 Vaccine Requirement Order:**

To help prevent transmission of COVID-19, all workers who provide services or work in facilities described below shall comply with the COVID-19 vaccination and booster dose requirements as set forth in the February 22, 2022, State Health Officer Order. A copy of the State Health Officer Order is attached herein as Attachment "B" and can be found at the following link:

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**B:** <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Health-Care-Worker-Vaccine-Requirement.aspx>

Facilities covered by this order include:

- General Acute Care Hospitals
  - Skilled Nursing Facilities (including Subacute Facilities)
  - Intermediate Care Facilities
  - Acute Psychiatric Hospitals
  - Adult Day Health Care Centers
  - Program of All-Inclusive Care for the Elderly (PACE) and PACE Centers
  - Ambulatory Surgery Centers
  - Chemical Dependency Recovery Hospitals
  - Clinics & Doctor Offices (including behavioral health, surgical)
  - Congregate Living Health Facilities
  - Dialysis Centers
  - Hospice Facilities
  - Pediatric Day Health and Respite Care Facilities
  - Residential Substance Use Treatment and Mental Health Treatment Facilities
- o. The word, "worker," as used in this Order shall have the same meaning as defined in the State Health Officer's Order, dated December 22, 2021.

#### **IV. Requirements and Guidance for Specific Facilities**

##### **Requirements for COVID-19 Vaccination Status Verification, COVID-19 Testing, and Masking for Certain Facilities.**

To help prevent transmission of COVID-19, all facilities described below shall comply with the State Health Officer Order, issued on July 26, 2021 and effective August 9, 2021. A copy of the State Health Officer Order is attached herein as Attachment "C" and can be found at the following link:

**C:** <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Unvaccinated-Workers-In-High-Risk-Settings.aspx>

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Facilities covered by this order include:

- Acute Health Care and Long-Term Care Settings:
  - General Acute Care Hospitals
  - Skilled Nursing Facilities (including Subacute Facilities)
  - Intermediate Care Facilities
- High-Risk Congregate Settings:
  - Adult and Senior Care Facilities
  - Homeless Shelters
  - State and Local Correctional Facilities and Detention Centers
- Other Health Care Settings:
  - Acute Psychiatric Hospitals
  - Adult Day Health Care Centers
  - Adult Day Programs Licensed by the California Department of Social Services
  - Program of All-Inclusive Care for the Elderly (PACE) and PACE Centers
  - Ambulatory Surgery Centers
  - Chemical Dependency Recovery Hospitals
  - Clinics & Doctor Offices (including behavioral health, surgical)
  - Congregate Living Health Facilities
  - Dental Offices
  - Dialysis Centers
  - Hospice Facilities
  - Pediatric Day Health and Respite Care Facilities
  - Residential Substance Use Treatment and Mental Health Treatment Facilities

**1. Requirements for COVID-19 Vaccine Status Verification and COVID-19 Testing for School Workers in Transitional Kindergarten through Grade 12.**

To prevent the further spread of COVID-19 in K-12 school settings, all public and private schools serving students in transitional kindergarten through grade 12 shall comply with the State Health Officer Order, effective August 12, 2021, regarding verification of COVID-19 vaccination status and COVID-19 testing of all workers. A



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copy of the State Health Officer Order is attached herein as Attachment "D" and can be found at the following link:

**D:** <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Vaccine-Verification-for-Workers-in-Schools.aspx>

This Order does not apply to (i) home schools, (ii) child care settings, or (iii) higher education.

**2. Local Correctional Facilities and Detention Centers Health Care Worker Vaccination Requirement.**

To prevent the further spread of COVID-19 in local correctional facilities and detention centers, all individuals identified in the State Health Officer Order, effective December 22, 2021, shall comply with the State Health Officer's Order with regards to obtaining COVID-19 vaccination and booster doses. A copy of the State Health Officer Order is attached herein as Attachment "E" and can be found at the following link:

**E:** <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Health-Care-Worker-Vaccine-Requirement.aspx>

**3. Adult Care Facilities and Direct Care Worker Vaccination Requirements.**

To help prevent transmission of COVID-19, all individuals specified below shall comply with the COVID-19 vaccination and booster dose requirements as set forth in the February 22, 2022, State Health Officer Order. A copy of the State Health Officer Order is attached herein as Attachment "F" and can be found at the following link:

**F:** <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Adult-Care-Facilities-and-Direct-Care-Worker-Vaccine-Requirement.aspx>

Individuals covered by this order include:

- All workers who provide services or work in Adult and Senior Care Facilities licensed by the California Department of Social Services;

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- All in-home direct care services workers, including registered home care aides and certified home health aides, except for those workers who only provide services to a recipient with whom they live or who are a family member of the recipient for whom they provide services;
- All waiver personal care services (WPCS) providers, as defined by the California Department of Health Care Services, and in-home supportive services (IHSS) providers, as defined by the California Department of Social Services, except for those workers who only provide services to a recipient with whom they live or who are a family member of the recipient for whom they provide services;
- All hospice workers who are providing services in the home or in a licensed facility; and
- All regional center employees, as well as service provider workers, who provide services to a consumer through the network of Regional Centers serving individuals with developmental and intellectual disabilities, except for those workers who only provide services to a recipient with whom they live or who are a family member of the recipient for whom they provide services.

**4. Requirements for Visiting Acute Health Care and Long-Term Care Settings.**

To help prevent transmission of COVID-19, all acute health care and long-term care settings shall comply with the indoor visitation requirements set forth in the State Health Officer issued February 7, 2022. A copy of the State Health Officer Order is attached herein as Attachment "G" and can be found at the following link:

**G.** <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Order-of-the-State-Public-Health-Officer-Requirements-for-Visitors-in-Acute-Health-Care-and-Long-Term-Care-Settings.aspx>

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**V. Seasonal Flu Vaccination Order:**

**Seasonal Flu Vaccination for Certain County Residents.**

All individuals who reside or work in Orange County and fall under one of the following categories, shall obtain the seasonal flu vaccination unless a medical or religious exemption applies: (i) current providers for congregate settings; (ii) current health care providers; and (iii) current emergency responders. However, nothing herein shall be construed as an obligation, on the part of employers, public or private, to require employees obtain the seasonal flu vaccination as a term or condition of employment.

- *Emergency responder* shall mean military or national guard; law enforcement officers; correctional institution personnel; fire fighters; emergency medical services personnel; physicians; nurses; public health personnel; emergency medical technicians; paramedics; emergency management personnel; 911 operators; child welfare workers and service providers; public works personnel; and persons with skills or training in operating specialized equipment or other skills needed to provide aid in a declared emergency; as well as individuals who work for such facilities employing these individuals and whose work is necessary to maintain the operation of the facility.
- *Health care provider* shall mean physicians; psychiatrists; nurses; nurse practitioners; nurse assistants; medical technicians; any other person who is employed to provide diagnostic services, preventive services, treatment services or other services that are integrated with and necessary to the provision of patient care and, if not provided, would adversely impact patient care; and employees who directly assist or are supervised by a direct provider of diagnostic, preventive, treatment, or other patient care services; and employees who do not provide direct health care services to a patient but are otherwise integrated into and necessary to the provision those services – for example, a laboratory technician who processes medical test results to aid in the diagnosis and treatment of a health condition. A person is not a health care provider merely because his or her employer provides health care services or because he or she provides a service that affects the provision of health care services. For example, IT professionals,

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building maintenance staff, human resources personnel, cooks, food services workers, records managers, consultants, and billers are not health care providers, even if they work at a hospital of a similar health care facility.

### **STRONG RECOMMENDATIONS**

Effective immediately, and continuing until further notice, the following shall be in effect in unincorporated and incorporated territories in Orange County, California:

#### **1. Self-quarantine of Persons Exposed to COVID-19**

- If you are known to be exposed to COVID-19 (regardless of vaccination status, prior disease, or occupation), it is strongly recommended to follow CDPH Quarantine guidance found at <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Guidance-on-Isolation-and-Quarantine-for-COVID-19-Contact-Tracing.aspx>.
- **K-12 Schools and Child Care**
  - Schools/school districts are advised to follow CDPH COVID-19 Public Health Guidance for K-12 Schools in California, 2021-2022 School Year found at: <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/K-12-Guidance-2021-22-School-Year.aspx>
  - Child care providers and programs are advised to follow CDPH Guidance for Child Care Providers and Programs found at: <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Child-Care-Guidance.aspx>.
- **Workplaces**
  - In workplaces, employers and employees are subject to the Quarantine requirement as stated in the Cal/OSHA COVID-19 Emergency Temporary Standards (ETS) as modified by the Governor's Executive Order N-5-22 or in some workplaces the Cal/OSHA Aerosol Transmissible Diseases (ATD) Standard.

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*Exposed to COVID-19 or exposure to COVID-19* mean to be within 6 feet of someone who has COVID-19 for a cumulative total of 15 minutes or more over a 24-hour period.

2. **For Vulnerable Populations.** In general, the older a person is, the more health conditions a person has, and the more severe the conditions, the more important it is to take preventive measures for COVID-19 such as getting vaccinated, including boosters, social distancing and wearing a mask when around people who don't live in the same household, and practicing hand hygiene. For more information see <https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/people-with-medical-conditions.html>.
3. **COVID-19 Vaccination for County Residents.** All Orange County residents should receive COVID-19 vaccination in accordance with the Federal Food and Drug Administration (FDA) and CDC guidance. Minors, who are eligible to receive COVID-19 vaccination in accordance with the applicable CDC guidelines, should be vaccinated in the presence of their parent or legal guardian.  
  
 CDC Guidance can be found at: <https://www.cdc.gov/coronavirus/2019-ncov/vaccines/recommendations/specific-groups.html>
4. **Seasonal Flu Vaccination for County Residents.** All County residents who are six months of age or older should obtain the seasonal flu vaccination unless a medical or religious exemption applies.
5. **COVID-19 Vaccination and Testing for Emergency Medical Technicians, Paramedics and Home Healthcare Providers.** To help prevent transmission of COVID-19, it is strongly recommended that all Emergency Medical Technicians, Paramedics, and Home Healthcare Providers (including In Home Supportive Services Program workers) remain up-to-date as defined by CDC with COVID-19 vaccination. CDC Guidance can be found at: <https://www.cdc.gov/coronavirus/2019-ncov/vaccines/recommendations/specific-groups.html>
6. Furthermore, it is strongly recommended that all unvaccinated Emergency Medical Technicians, Paramedics, and Home Healthcare Providers (including In Home Supportive Services Program workers) undergo at least twice weekly testing for COVID-19 until such time they are fully vaccinated.

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**GENERAL PROVISIONS**

1. The Orders and Strong Recommendations, above, shall not supersede any conflicting or more restrictive orders issued by the State of California or federal government. If any portion of this document or the application thereof to any person or circumstance is held to be invalid, the remainder of the document, including the application of such part or provision to other persons or circumstances, shall not be affected and shall continue in full force and effect. To this end, the provisions of the orders and strong recommendations are severable.
2. The Orders contained in this document may be enforced by the Orange County Sheriff or Chiefs of Police pursuant to California Health and Safety Code section 101029, and California Government Code sections 26602 and 41601. A violation of a health order is subject to fine, imprisonment, or both (California Health and Safety Code section 120295).

**REASONS FOR THE ORDERS AND STRONG RECOMMENDATIONS**

1. On February 26, 2020, the County of Orange Health Officer declared a Local Health Emergency based on an imminent and proximate threat to public health from the introduction of COVID-19 in Orange County.
2. On February 26, 2020, the Chairwoman of the Board of Supervisors, acting as the Chair of Emergency Management Council, proclaimed a Local Emergency in that the imminent and proximate threat to public health from the introduction of COVID-19 created conditions of extreme peril to the safety of persons and property within the territorial limits of Orange County.
3. On March 2, 2020, the Orange County Board of Supervisors adopted Resolutions No. 20-011 and No. 20-012 ratifying the Local Health Emergency and Local Emergency, referenced above.
4. On March 4, 2020, the Governor of the State of California declared a State of Emergency to exist in California as a result of the threat of COVID-19.
5. As of March 23, 2022, the County has reported a total of 546,125 recorded confirmed COVID-19 cases and 6,857 of COVID-19 related deaths.

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6. Safe and effective authorized COVID-19 vaccines are recommended by the CDC.  
According to CDC, anyone infected with COVID-19 can spread it, even if they do NOT have symptoms. The novel coronavirus is spread in 3 ways: 1) Breathing in air when close to an infected person who is exhaling small droplets and particles that contain the virus. 2) Having these small droplets and particles that contain virus land on the eyes, nose, or mouth, especially through splashes and sprays like a cough or sneeze. 3) Touching eyes, nose, or mouth with hands that have the virus on them.  
See <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/how-covid-spreads.html>.
7. The CDPH issued a revised Guidance for the Use of Face Coverings, effective March 1, 2022, available at: <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/guidance-for-face-coverings.aspx>
8. According to the CDC and CDPH, older adults, individuals with medical conditions, and pregnant and recently pregnant persons are at higher risk of severe illness when they contract COVID-19. See <https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/index.html>
9. The Orders and the Strong Recommendations contained in this document are based on the following facts, in addition to the facts stated under the foregoing paragraphs: (i) Safe and effective FDA authorized COVID-19 vaccines have become widely available, but many Orange County residents have not yet had the opportunity to be vaccinated, or have not completed their vaccination series to be fully vaccinated or boosted; (ii) there is limited supply of therapeutic options for high-risk individuals who have a high risk of exposure to COVID-19 or have mild-moderate COVID-19 infection; (iii) the current consensus among public health officials for slowing down the transmission of and avoiding contracting COVID-19 is for at-risk persons to complete a COVID-19 vaccination series and receive a booster if eligible, wear well-fitted mask in indoor settings when around others outside of their household, practice distancing, frequently wash hands with soap (iv) some individuals who contract COVID-19 have no symptoms or have only mild symptoms and so are unaware that they carry the virus and are transmitting it to others; (v) current evidence shows that the novel coronavirus can

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survive on surfaces and can be indirectly transmitted between individuals; (vi) older adults and individuals with medical conditions are at higher risk of severe illness; (vii) sustained COVID-19 community transmission continues to occur; (viii) the age, condition, and health of a portion of Orange County's residents place them at risk for serious health complications, including hospitalization and death, from COVID-19; (ix) younger and otherwise healthy people are also at risk for serious negative health outcomes and for transmitting the novel coronavirus to others.

10. The orders and strong recommendations contained in this document are necessary and less restrictive preventive measures to control and reduce the spread of COVID-19 in Orange County, help preserve critical and limited healthcare capacity in Orange County and save the lives of Orange County residents.
11. The California Health and Safety Code section 120175 requires the County of Orange Health Officer knowing or having reason to believe that any case of a communicable disease exists or has recently existed within the County to take measures as may be necessary to prevent the spread of the disease or occurrence of additional cases.
12. The California Health and Safety Code sections 101030 and 101470 require the county health officer to enforce and observe in the unincorporated territory of the county and within the city boundaries located with a county all of the following: (a) Orders and ordinances of the board of supervisors, pertaining to the public health and sanitary matters; (b) Orders, including quarantine and other regulations, prescribed by the department; and (c) Statutes relating to public health.
13. The California Health and Safety Code section 101040 authorizes the County of Orange Health Officer to take any preventive measure that may be necessary to protect and preserve the public health from any public health hazard during any "state of war emergency," "state of emergency," or "local emergency," as defined by Section 8558 of the Government Code, within his or her jurisdiction. "Preventive measure" means abatement, correction, removal, or any other protective step that may be taken against any public health hazard that is caused by a disaster and affects the public health.
14. The California Health and Safety Code section 120130 (d) authorizes the County of Orange Health Officer to require strict or modified isolation, or quarantine, for any case



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of contagious, infectious, or communicable disease, when such action is necessary for the protection of the public health.

**IT IS SO ORDERED:**

Date: March 24, 2022

A handwritten signature in black ink, appearing to read 'Regina Chinsio-Kwong DO', is written over a faint, illegible background.

Regina Chinsio-Kwong, DO  
County Health Officer  
County of Orange



## Memorandum

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**DATE:** May 16, 2022  
**TO:** Members of the Board of Retirement  
**FROM:** Steve Delaney, Chief Executive Officer  
**SUBJECT:** PRELIMINARY DECEMBER 31, 2021 ACTUARIAL VALUATION

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### Presentation

#### Background/Discussion

On May 16, Mr. Paul Angelo and Andy Yeung of Segal Consulting, will be reviewing the attached PowerPoint presentation which is the introduction to the December 31, 2021 Actuarial Valuation.

OCERS is nearly unique among Segal clients in that the Board receives this initial PowerPoint summary of valuation highlights a month prior to the full formal Actuarial Valuation. This informal approach allows OCERS' stakeholders time to review the data being used in the Actuarial Valuation and provide input prior to the OCERS Board giving final approval to the valuation.

This month's presentation does not require formal approval from the Board but instead, is an informational presentation. On June 20, Mr. Angelo and Mr. Yeung, will return to present the formal valuation that includes contribution rates to be effective July 1, 2023 and at that time, OCERS' staff will request the OCERS Board approve and finalize the valuation for distribution to all stakeholders.

#### Submitted by:



**SD - Approved**

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Steve Delaney  
 Chief Executive Officer

Orange County Employees  
Retirement System

# December 31, 2021 Actuarial Valuation

May 16, 2022

**Prepared by Paul Angelo and Andy Yeung**

5724316

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# | Agenda

**Changes Since Last Valuation**

**Plans of Benefit Offered at OCERS**

**Summary and Reconciliation of Employer Contribution Rates**

**Calculation of Net Market, Actuarial and Valuation  
Value of Assets**

**Unfunded Actuarial Accrued Liability and Funded Ratio**

**Summary of Active and Retired Membership**

**Contribution Rates for Employers and Members**

# Changes Since Last Valuation

- OCFA contributed an additional \$14.6 million to pay off part of their UAAL.
- San Juan Capistrano (SJC) contributed \$6.5 million on November 15, 2021 to allow them to remain pooled with other employers in Rate Group 2.<sup>1</sup>
  - The required additional contribution was due to a triggering event under OCERS' Declining Employer Payroll Policy after SJC transferred its Water Department employees to a separate special district that contracts with CalPERS for pension benefits for future service.
  - In the future, SJC will continue to pay the Rate Group 2 contribution rates<sup>1</sup> based on its reduced payroll, with no further contribution charges or credits.
- O.C. Sanitation District (Rate Group #3), Transportation Corridor Agency (Rate Group #9), and O.C. Law Library (Rate Group #12) remain overfunded as of December 31, 2021, but less than 120% funded.
  - Under CalPEPRA, the employer's contribution rate cannot be less than the Normal Cost unless the funded ratio is over 120% and other conditions in CalPEPRA are met. Therefore, their contribution rates are set equal to their normal cost rates.

<sup>1</sup> The Board approved this action on June 17, 2019.

## Changes Since Last Valuation (continued)

- The O.C. Sanitation District UAAL Deferred Account has grown from \$13.4 million to \$15.6 million.
  - No transfer from this account to the Valuation Assets was necessary as of December 31, 2021.
  
- On July 30, 2020, the California Supreme Court issued a decision in the case of Alameda County Deputy Sheriffs' Association et al. v. Alameda County Employees' Retirement Association (ACERA) and Board of Retirement of ACERA.
  - Neither the December 31, 2021 assets provided by OCERS nor the liabilities we calculated using the membership data provided by OCERS reflect the financial impact of this California Supreme Court decision.

# Plans of Benefit Offered at OCERS

## General Plans

- Plan A (§31676.12) – 2% @ 57
- Plan B (§31676.1) – 1.67% @ 57.5
- Plans G and H (§31676.18) – 2.5% @ 55
- Plans I and J (§31676.19) – 2.7% @ 55
- Plans M and N (§31676.16) – 2% @ 55
- Plans O and P (§31676.01) – 1.62% @ 65
- Plan S (§31676.12) – 2% @ 57
- Plan T (§31676.01) – 1.62% @ 65 CalPEPRA
- Plan U (§7522.20(a)) – 2.5% @ 67 CalPEPRA
- Plan W (§31676.01) – 1.62% @ 65 CalPEPRA

## Safety Plans

- Plans E and F (§31664.1) – 3% @ 50
- Plans Q and R (§31664.2) – 3% @ 55
- Plan V (§7522.25(d)) – 2.7% @ 57 CalPEPRA

# Employer Contributions

- The sum of:
  - Normal Cost
  - Level percentage of payroll amortization of:
    - Balance of December 31, 2012 UAAL re-amortized over 20 years as of December 31, 2013 (with 12 years left as of December 31, 2021)
    - New UAAL established after December 31, 2012 amortized over separate 20-year periods
  - Adjustment to reflect 18-month delay between date of valuation and date of rate implementation
- Expressed as percent of pay



# Employer Contribution Rates – Fiscal Years Beginning July 1, 2022 and July 1, 2023 (% of payroll)

	<b>FY 23-24</b>	<b>FY 22-23<sup>1</sup></b>	<b>Difference</b>
<b>Rate Group #1</b>			
General Plans A, B and U (County and IHSS)	<b>13.54%</b>	<b>15.10%</b>	<b>-1.56%</b>
<b>Rate Group #2</b>			
General Plans I, J, O, P, S, T, U and W (County et al.)	<b>37.73%</b>	<b>40.52%</b>	<b>-2.79%</b>
<b>Rate Group #3</b>			
General Plans B, G, H and U (OCSD)	<b>11.86%</b>	<b>11.85%</b>	<b>0.01%</b>
<b>Rate Group #5</b>			
General Plans A, B and U (OCTA)	<b>28.77%</b>	<b>31.45%</b>	<b>-2.68%</b>
<b>Rate Group #9</b>			
General Plans M, N and U (TCA)	<b>12.85%</b>	<b>12.72%</b>	<b>0.13%</b>
<b>Rate Group #10</b>			
General Plans I, J, M, N and U (OCFA)	<b>22.29%</b>	<b>24.27%</b>	<b>-1.98%</b>
<b>Rate Group #11</b>			
General Plans M and N, future service, and U (Cemetery)	<b>13.54%</b>	<b>15.25%</b>	<b>-1.71%</b>
<b>Rate Group #12</b>			
General Plans G, H and U (Law Library)	<b>13.01%</b>	<b>13.10%</b>	<b>-0.09%</b>
<b>Rate Group #6</b>			
Safety Plans E, F and V (Probation)	<b>52.95%</b>	<b>56.68%</b>	<b>-3.73%</b>
<b>Rate Group #7</b>			
Safety Plans E, F, Q, R and V (Law Enforcement)	<b>58.71%</b>	<b>62.81%</b>	<b>-4.10%</b>
<b>Rate Group #8</b>			
Safety Plans E, F, Q, R and V (OCFA)	<b>36.09%</b>	<b>40.19%</b>	<b>-4.10%</b>
<b>Average Total</b>	<b>37.86%</b>	<b>40.76%</b>	<b>-2.90%</b>

<sup>1</sup> The FY 22-23 composite rates have changed due to payroll shifting among plans within the Rate Groups.

# Reconciliation of Average Employer Contributions (\$000)

	Contribution Rate	Estimated Amount <sup>1</sup>
<b>1. Average Recommended Contribution Rate as of Dec. 31, 2020</b>	<b>40.76%</b>	<b>\$836,621</b>
<b>2. Actuarial (gain)/loss items:</b>		
a. Effect of investment gain (after smoothing)	-2.70%	-\$55,423
b. Effect of additional UAAL contributions from OCFA	-0.05%	-1,026
c. Effect of additional UAAL contributions from SJC <sup>2</sup>	-0.02%	-411
d. Effect of difference in actual versus expected contributions	0.20%	4,105
e. Effect of higher than expected COLA increases in 2022 <sup>3</sup>	0.52%	10,674
f. Effect of difference in actual versus expected salary increases	-0.31%	-6,363
g. Effect of growth in total payroll more than expected	-0.30%	-6,158
h. Effect of other experience gains	-0.33%	-6,806
i. Effect of minimum funding requirement <sup>4</sup>	<u>0.09%</u>	<u>1,847</u>
j. Subtotal	-2.90%	-\$59,561
<b>3. Average Recommended Contribution Rate as of Dec. 31, 2021</b>	<b>37.86%</b>	<b>\$777,060</b>

<sup>1</sup> Based on December 31, 2021 projected compensation of \$2,052,706,000.

<sup>2</sup> Includes a contribution of \$6,500,000 made by City of San Juan Capistrano for transferring its Water Department employees to a separate special district that contracts with CalPERS for pension benefits for future service, which results in a triggering event under the Board's Declining Employer Payroll policy.

<sup>3</sup> Actuarial loss from payment of higher than the 2.75% COLA assumption (3.00% expected to be paid starting on each April 1st starting 2022 and the following 4 years).

<sup>4</sup> RG#3, RG#9 and RG#12 were overfunded as of December 31, 2021. Under CalPEPRA, the employer's contribution rate cannot be less than the Normal Cost unless the funded ratio is over 120% and other conditions in CalPEPRA are met.

# Reconciliation of Employer Contributions for General Members

	RG #1	RG #2	RG #3	RG #5	RG #9	RG #10	RG #11	RG #12
<b>1. Average Recommended Contribution Rate as of December 31, 2020</b>	<b>15.10%</b>	<b>40.52%</b>	<b>11.85%</b>	<b>31.45%</b>	<b>12.72%</b>	<b>24.27%</b>	<b>15.25%</b>	<b>13.10%</b>
<b>2. Actuarial (gain)/loss items:</b>								
a. Effect of investment gain (after smoothing)	-1.07%	-2.43%	-3.23%	-2.41%	-2.33%	-2.28%	-2.04%	-3.33%
b. Effect of additional UAAL contributions	0.00%	-0.04%	0.00%	0.00%	0.00%	-0.39%	0.00%	0.00%
c. Effect of difference in actual versus expected contributions	-0.14%	0.39%	0.06%	0.39%	-0.05%	-0.16%	0.13%	0.05%
d. Effect of higher than expected COLA increases in 2022 <sup>1</sup>	0.13%	0.49%	0.46%	0.43%	0.16%	0.40%	0.17%	0.39%
e. Effect of difference in actual versus expected salary increases	-0.12%	-0.27%	0.25%	-1.30%	-0.41%	-0.33%	-0.23%	-0.87%
f. Effect of growth in total payroll (greater)/less than expected	-0.42%	-0.44%	0.00%	0.80%	0.00%	0.01%	-0.01%	0.00%
g. Effect of other experience (gain)/loss <sup>2,3</sup>	0.06%	-0.49%	0.50%	-0.59%	0.03%	0.77%	0.27%	0.77%
h. Effect of minimum funding requirement	<u>0.00%</u>	<u>0.00%</u>	<u>1.97%</u>	<u>0.00%</u>	<u>2.73%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>2.90%</u>
i. Subtotal	-1.56%	-2.79%	0.01%	-2.68%	0.13%	-1.98%	-1.71%	-0.09%
<b>3. Average Recommended Contribution Rate as of December 31, 2021</b>	<b>13.54%</b>	<b>37.73%</b>	<b>11.86%</b>	<b>28.77%</b>	<b>12.85%</b>	<b>22.29%</b>	<b>13.54%</b>	<b>13.01%</b>

<sup>1</sup> Actuarial loss from payment of higher than the 2.75% COLA assumption (3.00% expected to be paid starting on each April 1st starting 2022 and the following 4 years).

<sup>2</sup> Net of an adjustment to reflect 18-month delay between date of valuation and date of rate implementation for all actuarial experience.

<sup>3</sup> Effect of other experience losses for RG #10 and RG #12 are 0.34% and 0.51%, respectively, due to payee mortality losses.

# Reconciliation of Employer Contributions for Safety Members

	RG #6	RG #7	RG #8
<b>1. Average Recommended Contribution Rate as of Dec. 31, 2020</b>	<b>56.68%</b>	<b>62.81%</b>	<b>40.19%</b>
<b>2. Actuarial (gain)/loss items:</b>			
a. Effect of investment gain (after smoothing)	-4.04%	-3.87%	-3.27%
b. Effect of additional UAAL contributions	0.00%	0.00%	-0.58%
c. Effect of difference in actual versus expected contributions	0.30%	-0.05%	-0.54%
d. Effect of higher than expected COLA increases in 2022 <sup>1</sup>	0.63%	0.79%	0.61%
e. Effect of difference in actual versus expected salary increases	-1.68%	-0.22%	0.03%
f. Effect of growth in total payroll (greater)/less than expected	1.61%	-0.42%	-0.66%
g. Effect of other experience (gain)/loss <sup>2</sup>	-0.55%	-0.33%	0.31%
h. Effect of minimum funding requirement	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
i. Subtotal	-3.73%	-4.10%	-4.10%
<b>3. Average Recommended Contribution Rate as of Dec. 31, 2021</b>	<b>52.95%</b>	<b>58.71%</b>	<b>36.09%</b>

<sup>1</sup> Actuarial loss from payment of higher than the 2.75% COLA assumption (3.00% expected to be paid starting on each April 1st starting 2022 and the following 4 years).

<sup>2</sup> Net of an adjustment to reflect 18-month delay between date of valuation and date of rate implementation for all actuarial experience.

# Reconciliation of Average Member Contributions (\$000)

	Contribution Rate	Estimated Amount <sup>1</sup>
<b>Average Recommended Contribution Rate as of December 31, 2020</b>	<b>12.01%</b>	<b>\$246,504</b>
Effect of changes in demographics	<u>0.05%</u>	<u>1,034</u>
Subtotal	0.05%	\$1,034
<b>Average Recommended Contribution Rate as of December 31, 2021</b>	<b>12.06%</b>	<b>\$247,538</b>

<sup>1</sup> Based on December 31, 2021 projected compensation of \$2,052,706,000.

# Calculation of Net Market, Actuarial and Valuation Value of Assets

- Net market value of Pension Fund is total market value reduced by:
  - Obligations under securities lending program including securities purchased
  - Unearned contributions, retiree payroll payable and other liabilities
  - County Investment Account
  - Remaining O.C. Sanitation District UAAL Deferred Account of \$15.6 million
  
- Actuarial value is a “smoothed” value to dampen effect of short-term market volatility
  - Based on spreading difference between actual market return and expected market return (7.00% starting in 2018) over 5 years
  - Return for 2021 on market value was 17.71%<sup>1</sup> (i.e., 10.71% more than assumed)
  - Return for 2021 on smoothed valuation value was 11.38% (i.e., 4.38% more than assumed)
  - As of December 31, 2021, there were \$2.250 billion in net deferred investment gains or about 10% of the net market value
    - Prior year: \$969.3 million in net deferred investment gains or about 5% of the net market value
  
- Valuation value is actuarial value reduced by non-valuation reserves:
  - None as of December 31, 2021

<sup>1</sup> Return on market value was calculated using a modified dollar-weighted approach based on pension plan assets net of accounting liabilities. Actual investment return on net pension plan assets was \$3,273,348,000 during 2021 after including both the administrative expenses and discount for prepaid contributions while excluding the losses credited to County Investment Account and O.C. Sanitation District UAAL Deferred Account. Without these adjustments, the actual investment return was \$3,222,065,000.

# Calculation of Net Market, Actuarial and Valuation Value of Assets

**It is important to note that this actuarial valuation is based on plan assets as of December 31, 2021. Due to the COVID-19 pandemic, market conditions have changed significantly since the onset of the Public Health Emergency. The plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year. Moreover, this actuarial valuation does not include any possible short-term or long-term impacts on mortality of the covered population that may emerge after December 31, 2021. While it is impossible to determine how the pandemic will affect market conditions and other demographic experience of the plan in future valuations, Segal is available to prepare projections of potential outcomes upon request.**

# Market, Actuarial and Valuation Value of Assets (\$000)

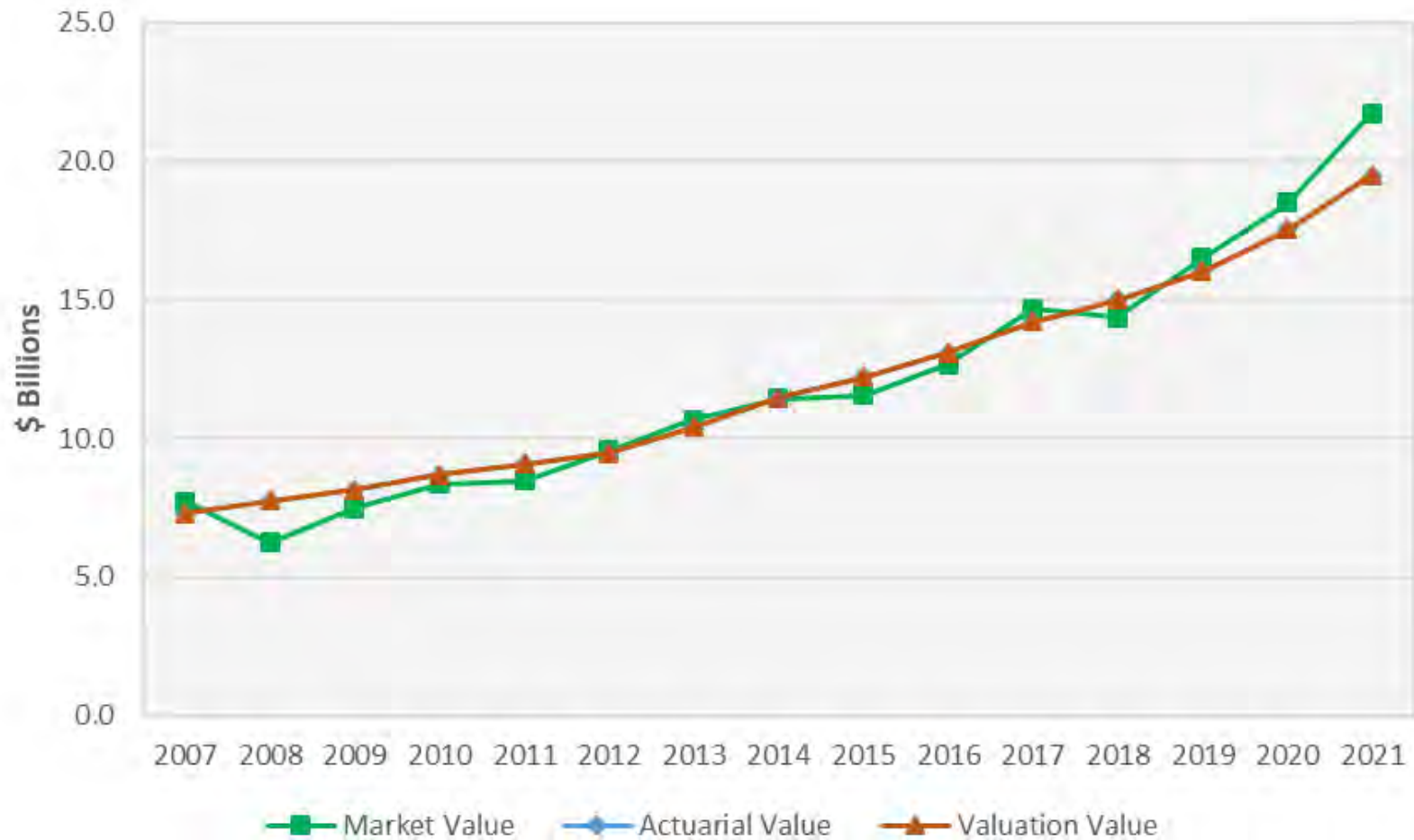
Valuation Date	Net Market Value of Assets <sup>1,2</sup>	Actuarial Value of Assets <sup>2</sup>	Valuation Value of Assets
December 31, 2007	\$7,719,690	\$7,292,205	\$7,288,900
December 31, 2008	\$6,248,558	\$7,750,751	\$7,748,380
December 31, 2009	\$7,464,761	\$8,155,654	\$8,154,687
December 31, 2010	\$8,357,835	\$8,673,473	\$8,672,592
December 31, 2011	\$8,465,593	\$9,064,580	\$9,064,355
December 31, 2012	\$9,566,874	\$9,469,423	\$9,469,208
December 31, 2013	\$10,679,507	\$10,417,340	\$10,417,125
December 31, 2014	\$11,428,223	\$11,450,001	\$11,449,911
December 31, 2015	\$11,548,529	\$12,228,098	\$12,228,009
December 31, 2016	\$12,657,418	\$13,103,066	\$13,102,978
December 31, 2017	\$14,652,607	\$14,197,211	\$14,197,125
December 31, 2018	\$14,349,790	\$14,994,505	\$14,994,420
December 31, 2019	\$16,516,108	\$16,036,953	\$16,036,869
December 31, 2020	\$18,494,462	\$17,525,201	\$17,525,117
December 31, 2021	\$21,738,794	\$19,488,761	\$19,488,761

<sup>1</sup> Net of amounts in County Investment Account, prepaid employer contributions and O.C. Sanitation District UAAL Deferred Account (after transfer), if any.

<sup>2</sup> Includes amounts in unclaimed member reserve and Medicare Medical Insurance Reserve. The balance in the Medicare Medical Insurance Reserve is \$0 as of December 31, 2021.



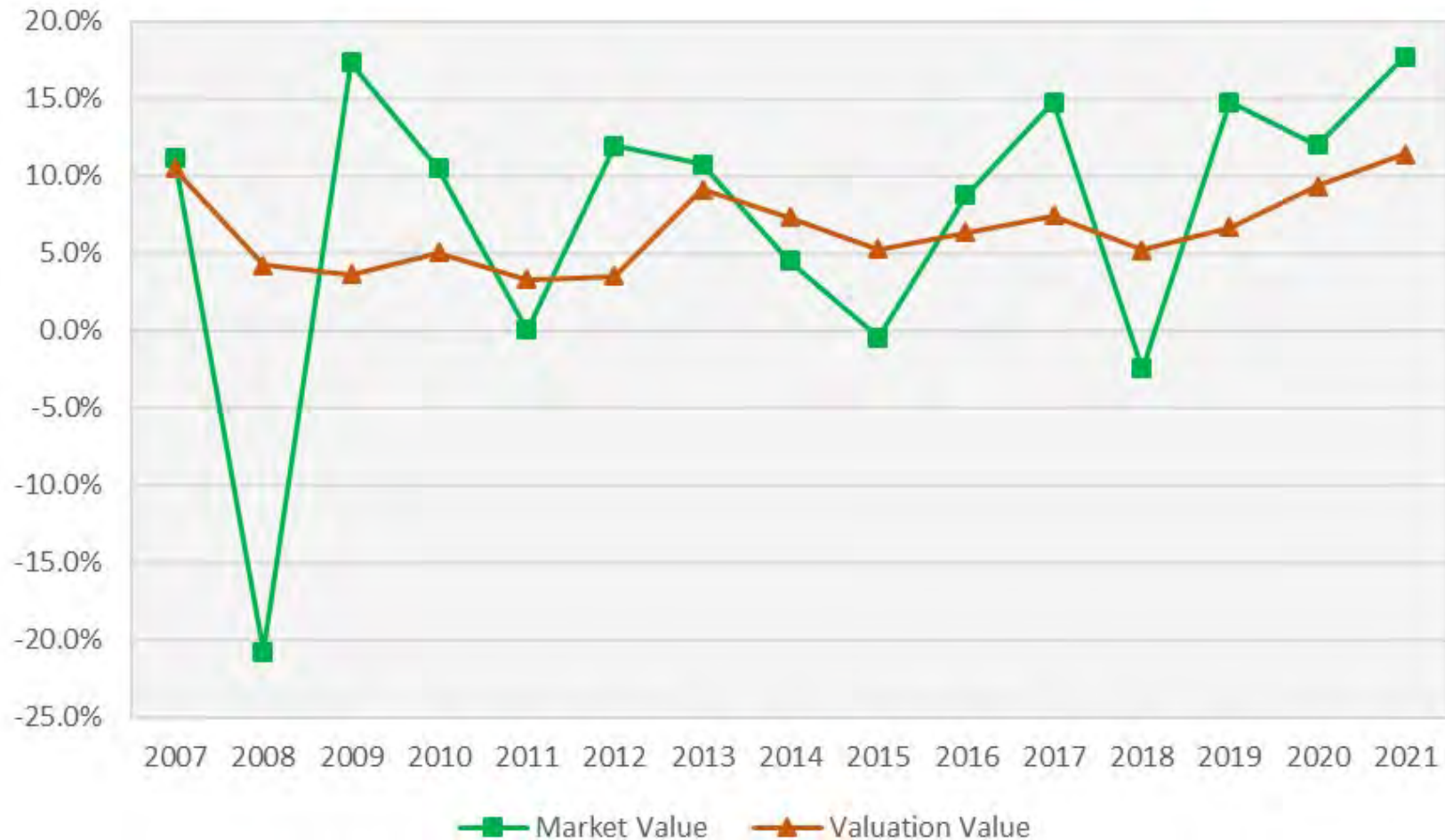
# Market Value of Assets, Actuarial Value of Assets and Valuation Value of Assets as of December 31, 2007 – 2021



# History of Return on Assets

	<b>Market Value Return</b>	<b>Valuation Value Return</b>	<b>Expected Return</b>
<b>December 31, 2012</b>	<b>11.92%</b>	<b>3.49%</b>	<b>7.75%</b>
<b>December 31, 2013</b>	<b>10.73%</b>	<b>9.11%</b>	<b>7.25%</b>
<b>December 31, 2014</b>	<b>4.52%</b>	<b>7.34%</b>	<b>7.25%</b>
<b>December 31, 2015</b>	<b>-0.45%</b>	<b>5.26%</b>	<b>7.25%</b>
<b>December 31, 2016</b>	<b>8.72%</b>	<b>6.33%</b>	<b>7.25%</b>
<b>December 31, 2017</b>	<b>14.79%</b>	<b>7.44%</b>	<b>7.25%</b>
<b>December 31, 2018</b>	<b>-2.46%</b>	<b>5.20%</b>	<b>7.00%</b>
<b>December 31, 2019</b>	<b>14.79%</b>	<b>6.66%</b>	<b>7.00%</b>
<b>December 31, 2020</b>	<b>12.01%</b>	<b>9.31%</b>	<b>7.00%</b>
<b>December 31, 2021</b>	<b>17.71%</b>	<b>11.38%</b>	<b>7.00%</b>
<b>Annualized 5-Year Average</b>	<b>11.13%</b>	<b>7.98%</b>	
<b>Annualized 10-Year Average</b>	<b>9.04%</b>	<b>7.13%</b>	

# Market Value and Valuation Value Rates of Return for Years Ended December 31, 2007 – 2021



# Unfunded Actuarial Accrued Liability (\$000) and Funded Ratio

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>Actuarial Accrued Liability</b>	<b>\$24,016,073</b>	<b>\$22,904,975</b>
<b>Valuation Value of Assets<sup>1</sup></b>	<b>19,488,761</b>	<b>17,525,117</b>
<b>Unfunded Actuarial Accrued Liability</b>	<b>4,527,312</b>	<b>5,379,858</b>
<b>Percent Funded on Valuation Value</b>	<b>81.15%</b>	<b>76.51%</b>
<b>Market Value of Assets<sup>1</sup></b>	<b>\$21,738,794</b>	<b>\$18,494,378</b>
<b>Percent Funded on Market Value</b>	<b>90.52%</b>	<b>80.74%</b>

<sup>1</sup> Excludes County Investment Account, prepaid employer contributions, Medicare Medical Insurance Reserve and O.C. Sanitation District UAAL Deferred Account (after transfer), if any. The balance in the Medicare Medical Insurance Reserve is \$0 as of December 31, 2021.

## Unfunded Actuarial Accrued Liability (\$000) and Funded Ratio

<b>Valuation Date</b>	<b>UAAL</b>	<b>Valuation Value Funded Ratio</b>	<b>Market Value Funded Ratio</b>
December 31, 2007	\$2,549,786	74.1%	78.4%
December 31, 2008	\$3,112,335	71.3%	57.5%
December 31, 2009	\$3,703,891	68.8%	62.9%
December 31, 2010	\$3,753,281	69.8%	67.3%
December 31, 2011	\$4,458,623	67.0%	62.6%
December 31, 2012	\$5,675,680	62.5%	63.2%
December 31, 2013	\$5,367,917	66.0%	67.7%
December 31, 2014	\$4,963,213	69.8%	69.6%
December 31, 2015	\$4,822,348	71.7%	67.7%
December 31, 2016	\$4,830,483	73.1%	70.6%
December 31, 2017	\$5,438,302	72.3%	74.6%
December 31, 2018	\$5,708,929	72.4%	69.3%
December 31, 2019	\$5,879,861	73.2%	75.4%
December 31, 2020	\$5,379,858	76.5%	80.7%
December 31, 2021	\$4,527,312	81.2%	90.5%

# Market Value and Valuation Value Funded Ratios for Years Ended December 31, 2007 – 2021



# Changes in UAAL since December 31, 2020 Valuation

<b>December 31, 2020 valuation</b>	
• Total UAAL	<b>\$5,380 million</b>
<b>Changes during calendar year 2021</b>	
• Interest minus expected payments to UAAL	<b>-\$158 million</b>
• Difference in actual versus expected contributions	<b>56 million</b>
• Additional UAAL contributions from OCFA and SJC, and anticipated payments from DOE and UCI	<b>-26 million</b>
• Investment gains (after smoothing)	<b>-767 million</b>
• Difference in actual versus expected salary increases	<b>-87 million</b>
• Effect of higher than expected COLA increases in 2022 <sup>1</sup>	<b>149 million</b>
• Other gains	<b><u>-20 million</u></b>
• Subtotal	<b>-\$853 million</b>
<b>December 31, 2021 valuation</b>	
• Total UAAL	<b>\$4,527 million</b>

<sup>1</sup> Actuarial loss from payment of higher than the 2.75% COLA assumption (3.00% expected to be paid starting on each April 1st starting 2022 and the following 4 years).

# Unfunded Actuarial Accrued Liability (\$000) and Funded Ratio by Rate Group

	UAAL	Funded Ratio
<b>Rate Group #1</b> General Plans A, B and U (County and IHSS) <sup>1</sup>	\$53,950	90.08%
<b>Rate Group #2</b> General Plans I, J, O, P, S, T, U and W (County et al.)	\$3,097,129	76.88%
<b>Rate Group #3</b> General Plans B, G, H and U (OCSD)	-\$48,071	105.76%
<b>Rate Group #5</b> General Plans A, B and U (OCTA)	\$159,372	85.10%
<b>Rate Group #9</b> General Plans M, N and U (TCA)	-\$4,231	107.50%
<b>Rate Group #10</b> General Plans I, J, M, N and U (OCFA)	\$22,370	92.54%
<b>Rate Group #11</b> General Plans M and N, future service, and U (Cemetery)	\$242	98.22%
<b>Rate Group #12</b> General Plans G, H and U (Law Library)	-\$992	108.22%
<b>Rate Group #6</b> Safety Plans E, F and V (Probation)	\$161,071	83.86%
<b>Rate Group #7</b> Safety Plans E, F, Q, R and V (Law Enforcement)	\$934,471	80.15%
<b>Rate Group #8</b> Safety Plans E, F, Q, R and V (OCFA)	\$152,001	92.70%
<b>Average Total</b>	<b>\$4,527,312</b>	<b>81.15%</b>

<sup>1</sup> Includes payees from Vector Control, Cypress Recreation and Parks, U.C.I. and DOE.



# Changes in UAAL for General Members (\$000)

	RG #1	RG #2	RG #3	RG #5	RG #9	RG #10	RG #11	RG #12
<b>December 31, 2020 valuation</b>								
• <b>Total UAAL</b>	<b>\$75,790</b>	<b>\$3,526,018</b>	<b>-\$24,920</b>	<b>\$215,409</b>	<b>-\$1,333</b>	<b>\$34,229</b>	<b>\$642</b>	<b>-\$507</b>
• Interest minus expected payments to UAAL	\$688	-\$98,000	-\$1,744	-\$6,597	-\$93	-\$1,690	-\$6	-\$35
• Difference in actual versus expected contributions	-1,917	64,581	671	5,802	-52	-759	33	8
• Additional UAAL contributions from OCFA and SJC, and anticipated payments from DOE and UCI	-3,749	-6,557	0	0	0	-1,844	0	0
• Investment gains (after smoothing)	-19,331	-406,270	-35,129	-35,991	-2,398	-10,891	-523	-518
• Difference in actual versus expected salary increases	-1,618	-45,145	2,676	-19,493	-426	-1,561	-60	-135
• Effect of higher than expected COLA increases in 2022 <sup>1</sup>	3,109	82,600	5,040	6,379	163	1,903	44	61
• Other (gains)/losses	<u>978</u>	<u>-20,098</u>	<u>5,335</u>	<u>-6,137</u>	<u>-92</u>	<u>2,983</u>	<u>112</u>	<u>134</u>
• Subtotal	-\$21,840	-\$428,889	-\$23,151	-\$56,037	-\$2,898	-\$11,859	-\$400	-\$485
<b>December 31, 2021 valuation</b>								
• <b>Total UAAL</b>	<b>\$53,950</b>	<b>\$3,097,129</b>	<b>-\$48,071</b>	<b>\$159,372</b>	<b>-\$4,231</b>	<b>\$22,370</b>	<b>\$242</b>	<b>-\$992</b>

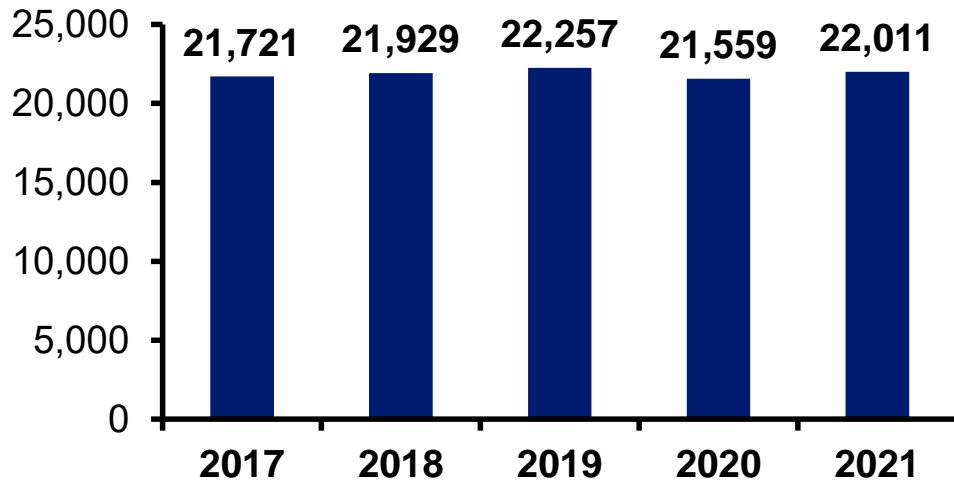
<sup>1</sup> Actuarial loss from payment of higher than the 2.75% COLA assumption (3.00% expected to be paid starting on each April 1st starting 2022 and the following 4 years).

# Changes in UAAL for Safety Members (\$000)

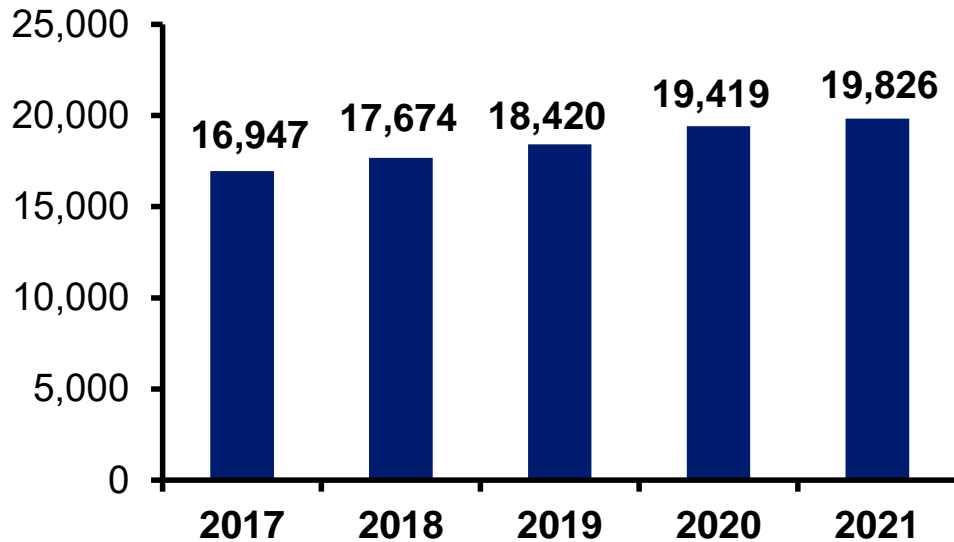
	RG #6	RG #7	RG #8
<b>December 31, 2020 valuation</b>			
• Total UAAL	\$207,237	\$1,105,871	\$241,422
• Interest minus expected payments to UAAL	-\$6,676	-\$33,161	-\$10,597
• Difference in actual versus expected contributions	2,452	-1,856	-12,495
• Additional UAAL contributions from OCFA and SJC, and anticipated payments from DOE and UCI	0	0	-13,386
• Investment gains (after smoothing)	-32,754	-147,960	-75,254
• Difference in actual versus expected salary increases	-13,627	-8,574	801
• Effect of higher than expected COLA increases in 2022 <sup>1</sup>	5,115	30,416	14,000
• Other (gains)/losses	<u>-676</u>	<u>-10,265</u>	<u>7,510</u>
• Subtotal	-\$46,166	-\$171,400	-\$89,421
<b>December 31, 2021 valuation</b>			
• Total UAAL	\$161,071	\$934,471	\$152,001

<sup>1</sup> Actuarial loss from payment of higher than the 2.75% COLA assumption (3.00% expected to be paid starting on each April 1st starting 2022 and the following 4 years).

# Entire OCERS Membership Demographics (as of December 31)



	2021	2020
<b>Active Members</b>	22,011	21,559
Average Age	44.9	44.8
Average Service	12.4	12.5
Average Compensation	\$93,258	\$91,046



	2021	2020
<b>Retired Members and Beneficiaries</b>	19,826	19,419
Average Age	70.4	70.2
Average Annual Benefit	\$52,542	\$51,016

<b>Terminated Vested Members</b>	7,238	6,818
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# Questions and Discussion



[segalco.com](http://segalco.com)

# Summary of Active Membership

Rate Group #1 General – County and IHSS	Year Ended December 31		Change from Prior Year
	2021	2020	
Number	1,692	1,530	10.6%
Average age	43.2	43.3	-0.1
Average service	8.8	9.8	-1.0
Projected total compensation	\$98,969,172	\$88,071,531	12.4%
Projected average compensation	\$58,492	\$57,563	1.6%

Rate Group #2 General Plans I, J, O, P, S, T, U and W	Year Ended December 31		Change from Prior Year
	2021	2020	
Number	14,079	13,845	1.7%
Average age	45.3	45.2	0.1
Average service	12.5	12.5	0.0
Projected total compensation	\$1,216,412,072	\$1,162,867,995	4.6%
Projected average compensation	\$86,399	\$83,992	2.9%

# Summary of Active Membership

Rate Group #3 General – OCSD	Year Ended December 31		Change from Prior Year
	2021	2020	
Number	620	618	0.3%
Average age	46.8	47.0	-0.2
Average service	11.8	11.8	0.0
Projected total compensation	\$78,995,802	\$75,365,517	4.8%
Projected average compensation	\$127,413	\$121,951	4.5%

Rate Group #5 General – OCTA	Year Ended December 31		Change from Prior Year
	2021	2020	
Number	1,315	1,322	-0.5%
Average age	50.1	49.7	0.4
Average service	12.8	12.7	0.1
Projected total compensation	\$108,629,267	\$109,899,068	-1.2%
Projected average compensation	\$82,608	\$83,131	-0.6%

# Summary of Active Membership

Rate Group #9 General – TCA	Year Ended December 31		Change from Prior Year
	2021	2020	
Number	61	54	13.0%
Average age	49.3	49.5	-0.2
Average service	9.1	9.9	-0.8
Projected total compensation	\$7,477,529	\$6,572,806	13.8%
Projected average compensation	\$122,582	\$121,719	0.7%

Rate Group #10 General – OCFA	Year Ended December 31		Change from Prior Year
	2021	2020	
Number	322	325	-0.9%
Average age	44.5	44.1	0.4
Average service	10.1	9.5	0.6
Projected total compensation	\$34,703,406	\$33,716,592	2.9%
Projected average compensation	\$107,775	\$103,743	3.9%

# Summary of Active Membership

Rate Group #11 General – Cemetery District	Year Ended December 31		Change from Prior Year
	2021	2020	
Number	25	25	0.0%
Average age	49.1	48.8	0.3
Average service	15.2	15.2	0.0
Projected total compensation	\$1,863,731	\$1,798,756	3.6%
Projected average compensation	\$74,549	\$71,950	3.6%

Rate Group #12 General – Law Library	Year Ended December 31		Change from Prior Year
	2021	2020	
Number	14	14	0.0%
Average age	57.1	59.2	-2.1
Average service	18.0	18.4	-0.4
Projected total compensation	\$1,130,137	\$1,125,455	0.4%
Projected average compensation	\$80,724	\$80,390	0.4%



# Summary of Active Membership

Rate Group #6 Safety – Probation Officers	Year Ended December 31		Change from Prior Year
	2021	2020	
Number	662	679	-2.5%
Average age	45.0	44.9	0.1
Average service	17.9	17.7	0.2
Projected total compensation	\$58,975,634	\$59,957,162	-1.6%
Projected average compensation	\$89,087	\$88,302	0.9%

Rate Group #7 Safety – Law Enforcement	Year Ended December 31		Change from Prior Year
	2021	2020	
Number	2,035	2,015	1.0%
Average age	40.7	40.7	0.0
Average service	12.5	12.6	-0.1
Projected total compensation	\$278,340,549	\$267,410,289	4.1%
Projected average compensation	\$136,777	\$132,710	3.1%

# Summary of Active Membership

Rate Group #8 Safety – OCFA	Year Ended December 31		Change from Prior Year
	2021	2020	
Number	1,186	1,132	4.8%
Average age	42.0	42.2	-0.2
Average service	13.1	13.1	0.0
Projected total compensation	\$167,208,543	\$156,082,978	7.1%
Projected average compensation	\$140,985	\$137,882	2.3%

# Summary of Retired Members and Beneficiaries

Rate Group #1 General – County and IHSS <sup>1</sup>	Year Ended December 31		Change from Prior Year
	2021	2020	
<b>Retired members</b>			
Number in pay status	683	685	-0.3%
Average monthly benefit <sup>2</sup>	\$2,919	\$2,852	2.3%
<b>Disabled members</b>			
Number in pay status	36	39	-7.7%
Average monthly benefit <sup>2</sup>	\$2,655	\$2,515	5.6%
<b>Beneficiaries</b>			
Number in pay status	102	97	5.2%
Average monthly benefit <sup>2</sup>	\$1,522	\$1,523	-0.1%

<sup>1</sup> Includes payees from Vector Control, Cypress Recreation and Parks, U.C.I. and DOE.

<sup>2</sup> Excludes monthly benefits payable from the STAR COLA.

# Summary of Retired Members and Beneficiaries

Rate Group #2 General Plans I, J, O, P, S, T, U and W	Year Ended December 31		Change from Prior Year
	2021	2020	
<b>Retired members</b>			
Number in pay status	10,586	10,449	1.3%
Average monthly benefit <sup>1</sup>	\$4,222	\$4,111	2.7%
<b>Disabled members</b>			
Number in pay status	556	562	-1.1%
Average monthly benefit <sup>1</sup>	\$2,860	\$2,760	3.6%
<b>Beneficiaries</b>			
Number in pay status	1,630	1,591	2.5%
Average monthly benefit <sup>1</sup>	\$2,165	\$2,059	5.1%

<sup>1</sup> Excludes monthly benefits payable from the STAR COLA.

# Summary of Retired Members and Beneficiaries

Rate Group #3 General – OCSD	Year Ended December 31		Change from Prior Year
	2021	2020	
<b>Retired members</b>			
Number in pay status	453	435	4.1%
Average monthly benefit <sup>1</sup>	\$6,290	\$6,124	2.7%
<b>Disabled members</b>			
Number in pay status	20	19	5.3%
Average monthly benefit <sup>1</sup>	\$3,994	\$3,945	1.2%
<b>Beneficiaries</b>			
Number in pay status	91	85	7.1%
Average monthly benefit <sup>1</sup>	\$2,624	\$2,524	4.0%

<sup>1</sup> Excludes monthly benefits payable from the STAR COLA.

# Summary of Retired Members and Beneficiaries

Rate Group #5 General – OCTA	Year Ended December 31		Change from Prior Year
	2021	2020	
<b>Retired members</b>			
Number in pay status	1,046	1,029	1.7%
Average monthly benefit <sup>1</sup>	\$2,907	\$2,819	3.1%
<b>Disabled members</b>			
Number in pay status	268	267	0.4%
Average monthly benefit <sup>1</sup>	\$2,610	\$2,551	2.3%
<b>Beneficiaries</b>			
Number in pay status	202	193	4.7%
Average monthly benefit <sup>1</sup>	\$1,541	\$1,542	-0.1%

<sup>1</sup> Excludes monthly benefits payable from the STAR COLA.

# Summary of Retired Members and Beneficiaries

Rate Group #9 General – TCA	Year Ended December 31		Change from Prior Year
	2021	2020	
<b>Retired members</b>			
Number in pay status	54	54	0.0%
Average monthly benefit <sup>1</sup>	\$3,382	\$3,298	2.5%
<b>Disabled members</b>			
Number in pay status	0	0	N/A
Average monthly benefi <sup>1</sup>	\$0	\$0	N/A
<b>Beneficiaries</b>			
Number in pay status	5	4	25.0%
Average monthly benefit <sup>1</sup>	\$836	\$493	69.6%

<sup>1</sup> Excludes monthly benefits payable from the STAR COLA.

# Summary of Retired Members and Beneficiaries

Rate Group #10 General – OCFA	Year Ended December 31		Change from Prior Year
	2021	2020	
<b>Retired members</b>			
Number in pay status	195	187	4.3%
Average monthly benefit <sup>1</sup>	\$4,891	\$4,794	2.0%
<b>Disabled members</b>			
Number in pay status	13	11	18.2%
Average monthly benefit <sup>1</sup>	\$3,519	\$3,358	4.8%
<b>Beneficiaries</b>			
Number in pay status	14	13	7.7%
Average monthly benefit <sup>1</sup>	\$1,825	\$1,589	14.9%

<sup>1</sup> Excludes monthly benefits payable from the STAR COLA.



# Summary of Retired Members and Beneficiaries

Rate Group #11 General – Cemetery District	Year Ended December 31		Change from Prior Year
	2021	2020	
<b>Retired members</b>			
Number in pay status	7	7	0.0%
Average monthly benefit <sup>1</sup>	\$3,311	\$3,235	2.3%
<b>Disabled members</b>			
Number in pay status	0	0	N/A
Average monthly benefit <sup>1</sup>	\$0	\$0	N/A
<b>Beneficiaries</b>			
Number in pay status	5	5	0.0%
Average monthly benefit <sup>1</sup>	\$1,622	\$1,583	2.5%

<sup>1</sup> Excludes monthly benefits payable from the STAR COLA.

# Summary of Retired Members and Beneficiaries

Rate Group #12 General – Law Library	Year Ended December 31		Change from Prior Year
	2021	2020	
<b>Retired members</b>			
Number in pay status	13	12	8.3%
Average monthly benefit <sup>1</sup>	\$3,331	\$3,317	0.4%
<b>Disabled members</b>			
Number in pay status	0	0	N/A
Average monthly benefit <sup>1</sup>	\$0	\$0	N/A
<b>Beneficiaries</b>			
Number in pay status	0	0	N/A
Average monthly benefit <sup>1</sup>	\$0	\$0	N/A

<sup>1</sup> Excludes monthly benefits payable from the STAR COLA.

# Summary of Retired Members and Beneficiaries

Rate Group #6 Safety – Probation Officers	Year Ended December 31		Change from Prior Year
	2021	2020	
<b>Retired members</b>			
Number in pay status	449	427	5.2%
Average monthly benefit <sup>1</sup>	\$5,816	\$5,748	1.2%
<b>Disabled members</b>			
Number in pay status	38	36	5.6%
Average monthly benefit <sup>1</sup>	\$3,080	\$3,093	-0.4%
<b>Beneficiaries</b>			
Number in pay status	44	37	18.9%
Average monthly benefit <sup>1</sup>	\$2,661	\$2,372	12.2%

<sup>1</sup> Excludes monthly benefits payable from the STAR COLA.

# Summary of Retired Members and Beneficiaries

Rate Group #7 Safety – Law Enforcement	Year Ended December 31		Change from Prior Year
	2021	2020	
<b>Retired members</b>			
Number in pay status	1,640	1,572	4.3%
Average monthly benefit <sup>1</sup>	\$7,815	\$7,672	1.9%
<b>Disabled members</b>			
Number in pay status	392	378	3.7%
Average monthly benefit <sup>1</sup>	\$5,984	\$5,627	6.3%
<b>Beneficiaries</b>			
Number in pay status	425	402	5.7%
Average monthly benefit <sup>1</sup>	\$3,498	\$3,369	3.8%

<sup>1</sup> Excludes monthly benefits payable from the STAR COLA.

# Summary of Retired Members and Beneficiaries

Rate Group #8 Safety – OCFA	Year Ended December 31		Change from Prior Year
	2021	2020	
<b>Retired members</b>			
Number in pay status	480	481	-0.2%
Average monthly benefit <sup>1</sup>	\$9,179	\$8,942	2.7%
<b>Disabled members</b>			
Number in pay status	238	213	11.7%
Average monthly benefit <sup>1</sup>	\$7,697	\$7,444	3.4%
<b>Beneficiaries</b>			
Number in pay status	140	128	9.4%
Average monthly benefit <sup>1</sup>	\$3,627	\$3,514	3.2%

<sup>1</sup> Excludes monthly benefits payable from the STAR COLA.

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #1	Employer Rates	
	FY 23 – 24	FY 22 – 23
<b>Plans A and B</b>		
Normal Cost	10.43%	10.38%
UAAL <sup>1</sup>	<u>3.33%</u>	<u>5.03%</u>
Total	13.76%	15.41%
<b>Plan U</b>		
Normal Cost	10.08%	9.89%
UAAL <sup>1</sup>	<u>3.33%</u>	<u>5.03%</u>
Total	13.41%	14.92%
<b>Rate Group 1 combined</b>		
Normal Cost	10.21%	10.07%
UAAL <sup>1</sup>	<u>3.33%</u>	<u>5.03%</u>
Total	13.54%	15.10%

<sup>1</sup> These are “net” UAAL contribution rate for County and IHSS Public Authority without reflecting the UAAL contributions required for Vector Control, Cypress Recreation and Parks, U.C.I. and DOE.

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #1 <i>continued</i>	Sample Member Rates	
	FY 23 – 24	FY 22 – 23
<b>Plans A and B</b>		
<b><u>Tier 2</u></b>		
Entry Age: 30	8.95%	8.95%
Entry Age: 35	9.78%	9.77%
Entry Age: 40	10.70%	10.69%
<b>Plan U</b>		
Entry Age: 30	9.16%	9.13%
Entry Age: 35	10.00%	9.96%
Entry Age: 40	10.92%	10.88%

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #2	Employer Rates	
	FY 23 – 24	FY 22 – 23
<b>Plans I and J (non-Children &amp; Families)</b>		
Normal Cost	14.71%	14.69%
UAAL <sup>1</sup>	<u>26.15%</u>	<u>28.97%</u>
Total	40.86%	43.66%
<b>Plans I and J (Children &amp; Families)</b>		
Normal Cost	14.71%	14.69%
UAAL	<u>3.51%</u>	<u>5.98%</u>
Total	18.22%	20.67%
<b>Plans O and P</b>		
Normal Cost	6.29%	6.26%
UAAL <sup>1</sup>	<u>26.15%</u>	<u>28.97%</u>
Total	32.44%	35.23%

<sup>1</sup> Before adjustments for future service benefit improvements.



# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #2 <i>continued</i>	Employer Rates	
	FY 23 – 24	FY 22 – 23
<b>Plan S</b>		
Normal Cost <sup>1</sup>	17.56%	16.45%
UAAL	<u>26.15%</u>	<u>28.97%</u>
Total	43.71%	45.42%
<b>Plan T</b>		
Normal Cost	7.11%	7.06%
UAAL <sup>2</sup>	<u>26.15%</u>	<u>28.97%</u>
Total	33.26%	36.03%
<b>Plan U (non-Children &amp; Families)</b>		
Normal Cost	8.27%	8.37%
UAAL <sup>2</sup>	<u>26.15%</u>	<u>28.97%</u>
Total	34.42%	37.34%

<sup>1</sup> The increase in the employer Normal Cost rate from last year to this year is primarily due to the change in the average entry age from 40.6 to 43.5. There are 13 active members in the Plan as of December 31, 2021.

<sup>2</sup> Before adjustments for future service benefit improvements.

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #2 <i>continued</i>	Employer Rates	
	FY 23 – 24	FY 22 – 23
<b>Plan U (Children &amp; Families)</b>		
Normal Cost	8.27%	8.37%
UAAL	<u>3.51%</u>	<u>5.98%</u>
Total	11.78%	14.35%
<b>Plan W</b>		
Normal Cost	8.95%	8.43%
UAAL	<u>26.15%</u>	<u>28.97%</u>
Total	35.10%	37.40%
<b>Rate Group 2 combined</b>		
Normal Cost	11.61%	11.58%
UAAL	<u>26.12%</u>	<u>28.94%</u>
Total	37.73%	40.52%

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #2 <i>continued</i>	Sample Member Rate	
	FY 23 – 24	FY 22 – 23
<b>Plans I and J</b>		
<b><u>Tier 1</u></b>		
Entry Age: 30	13.25%	13.22%
Entry Age: 35	14.51%	14.48%
Entry Age: 40	15.93%	15.90%
<b><u>Tier 2</u></b>		
Entry Age: 30	12.71%	12.69%
Entry Age: 35	13.91%	13.89%
Entry Age: 40	15.19%	15.16%
<b>Plan P</b>		
<b><u>Tier 2</u></b>		
Entry Age: 30	8.18%	8.16%
Entry Age: 35	8.93%	8.91%
Entry Age: 40	9.77%	9.76%
<b>Plan S</b>		
<b><u>Tier 2</u></b>		
Entry Age: 30	10.40%	10.75%
Entry Age: 35	11.36%	11.73%
Entry Age: 40	12.43%	12.84%

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #2 <i>continued</i>	Sample Member Rate	
	FY 23 – 24	FY 22 – 23
<b>Plan T</b>		
Entry Age: 30	6.45%	6.42%
Entry Age: 35	7.05%	7.01%
Entry Age: 40	7.73%	7.68%
<b>Plan U</b>		
Entry Age: 30	7.87%	7.90%
Entry Age: 35	8.59%	8.62%
Entry Age: 40	9.38%	9.42%
<b>Plan W</b>		
Entry Age: 30	6.11%	5.86%
Entry Age: 35	6.67%	6.40%
Entry Age: 40	7.31%	7.01%

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #3	Employer Rate	
	FY 23 – 24	FY 22 – 23
<b>Plans G and H</b>		
Normal Cost	13.50%	13.46%
UAAL <sup>1</sup>	<u>0.00%</u>	<u>0.00%</u>
Total	13.50%	13.46%

<b>Plan B</b>		
Normal Cost	13.35%	13.25%
UAAL <sup>1</sup>	<u>0.00%</u>	<u>0.00%</u>
Total	13.35%	13.25%

<b>Plan U</b>		
Normal Cost	9.82%	9.86%
UAAL <sup>1</sup>	<u>0.00%</u>	<u>0.00%</u>
Total	9.82%	9.86%

<b>Rate Group 3 combined</b>		
Normal Cost	11.86%	11.85%
UAAL <sup>1</sup>	<u>0.00%</u>	<u>0.00%</u>
Total	11.86%	11.85%

<sup>1</sup> Under CalPEPRA, the employer's contribution rate cannot be less than the Normal Cost unless the funded ratio is over 120% and other conditions in CalPEPRA are met.

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #3 <i>continued</i>	Sample Member Rate	
	FY 23 – 24	FY 22 – 23
<b>Plans G and H</b>		
<b><u>Tier 2</u></b>		
Entry Age: 30	12.42%	12.39%
Entry Age: 35	13.59%	13.57%
Entry Age: 40	14.84%	14.81%
<b>Plan B</b>		
<b><u>Tier 2</u></b>		
Entry Age: 30	9.06%	9.04%
Entry Age: 35	9.89%	9.87%
Entry Age: 40	10.83%	10.80%
<b>Plan U</b>		
Entry Age: 30	8.59%	8.53%
Entry Age: 35	9.38%	9.31%
Entry Age: 40	10.24%	10.17%

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #5	Employer Rates	
	FY 23 – 24	FY 22 – 23
<b>Plans A and B</b>		
Normal Cost	12.58%	12.59%
UAAL	<u>16.37%</u>	<u>19.12%</u>
Total	28.95%	31.71%
<b>Plan U</b>		
Normal Cost	11.99%	11.73%
UAAL	<u>16.37%</u>	<u>19.12%</u>
Total	28.36%	30.85%
<b>Rate Group 5 combined</b>		
Normal Cost	12.40%	12.33%
UAAL	<u>16.37%</u>	<u>19.12%</u>
Total	28.77%	31.45%

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #5 <i>continued</i>	Sample Member Rates	
	FY 23 – 24	FY 22 – 23
<b>Plans A and B</b>		
<b><u>Tier 1</u></b>		
Entry Age: 30	6.84%	6.82%
Entry Age: 35	7.47%	7.45%
Entry Age: 40	8.18%	8.16%
<b><u>Tier 2</u></b>		
Entry Age: 30	9.16%	9.14%
Entry Age: 35	10.00%	9.98%
Entry Age: 40	10.94%	10.92%
<b>Plan U</b>		
Entry Age: 30	9.96%	9.86%
Entry Age: 35	10.87%	10.76%
Entry Age: 40	11.87%	11.75%



# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #9	Employer Rates	
	FY 23 – 24	FY 22 – 23
<b>Plans M and N</b>		
Normal Cost	14.98%	14.95%
UAAL <sup>1</sup>	<u>0.00%</u>	<u>0.00%</u>
Total	14.98%	14.95%
<b>Plan U</b>		
Normal Cost	11.18%	10.98%
UAAL <sup>1</sup>	<u>0.00%</u>	<u>0.00%</u>
Total	11.18%	10.98%
<b>Rate Group 9 combined</b>		
Normal Cost	12.85%	12.72%
UAAL <sup>1</sup>	<u>0.00%</u>	<u>0.00%</u>
Total	12.85%	12.72%

<sup>1</sup> Under CalPEPRA, the employer's contribution rate cannot be less than the Normal Cost unless the funded ratio is over 120% and other conditions in CalPEPRA are met.

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #9 <i>continued</i>	Sample Member Rates	
	FY 23 – 24	FY 22 – 23
<b>Plans M and N</b>		
<b><u>Tier 2</u></b>		
Entry Age: 30	9.50%	9.49%
Entry Age: 35	10.38%	10.36%
Entry Age: 40	11.36%	11.34%
<b>Plan U</b>		
Entry Age: 30	8.75%	8.65%
Entry Age: 35	9.55%	9.44%
Entry Age: 40	10.43%	10.31%

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #10	Employer Rates	
	FY 23 – 24	FY 22 – 23
<b>Plans I and J</b>		
Normal Cost	15.28%	15.22%
UAAL	<u>9.38%</u>	<u>11.49%</u>
Total	24.66%	26.71%

<b>Plans M and N</b>		
Normal Cost <sup>1</sup>	17.36%	16.83%
UAAL	<u>9.38%</u>	<u>11.49%</u>
Total	26.74%	28.32%

<b>Plan U</b>		
Normal Cost	9.87%	9.82%
UAAL	<u>9.38%</u>	<u>11.49%</u>
Total	19.25%	21.31%

<b>Rate Group 10 combined</b>		
Normal Cost	12.91%	12.78%
UAAL	<u>9.38%</u>	<u>11.49%</u>
Total	22.29%	24.27%

<sup>1</sup> The increase in the employer Normal Cost rate from last year to this year is primarily due to the change in the average entry age from 39.4 to 40.8. There are a total of 42 active members in the Plans as of December 31, 2021.

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #10 <i>continued</i>	Sample Member Rate	
	FY 23 – 24	FY 22 – 23
<b>Plan J</b>		
<b><u>Tier 2</u></b>		
Entry Age: 30	12.65%	12.61%
Entry Age: 35	13.84%	13.81%
Entry Age: 40	15.11%	15.07%
<b>Plan N</b>		
<b><u>Tier 2</u></b>		
Entry Age: 30	9.82%	9.83%
Entry Age: 35	10.73%	10.73%
Entry Age: 40	11.74%	11.75%
<b>Plan U</b>		
Entry Age: 30	8.88%	8.75%
Entry Age: 35	9.69%	9.55%
Entry Age: 40	10.58%	10.43%

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #11	Employer Rates	
	FY 23 – 24	FY 22 – 23
<b>Plans M and N</b>		
Normal Cost	12.78%	12.83%
UAAL	<u>1.03%</u>	<u>2.85%</u>
Total	13.81%	15.68%

<b>Plan U</b>		
Normal Cost	11.97%	11.80%
UAAL	<u>1.03%</u>	<u>2.85%</u>
Total	13.00%	14.65%

<b>Rate Group 11 combined</b>		
Normal Cost	12.51%	12.40%
UAAL	<u>1.03%</u>	<u>2.85%</u>
Total	13.54%	15.25%

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #11 <i>continued</i>	Sample Member Rates	
	FY 23 – 24	FY 22 – 23
<b>Plans M and N</b>		
<b><u>Tier 2</u></b>		
Entry Age: 30	9.50%	9.49%
Entry Age: 35	10.38%	10.36%
Entry Age: 40	11.36%	11.34%
<b>Plan U</b>		
Entry Age: 30	9.68%	9.62%
Entry Age: 35	10.57%	10.50%
Entry Age: 40	11.54%	11.47%

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #12	Employer Rates	
	FY 23 – 24	FY 22 – 23
<b>Plans G and H</b>		
Normal Cost	13.79%	13.88%
UAAL <sup>1</sup>	<u>0.00%</u>	<u>0.00%</u>
Total	13.79%	13.88%

<b>Plan U</b>		
Normal Cost	10.48%	10.51%
UAAL <sup>1</sup>	<u>0.00%</u>	<u>0.00%</u>
Total	10.48%	10.51%

<b>Rate Group 12 combined</b>		
Normal Cost	13.01%	13.10%
UAAL <sup>1</sup>	<u>0.00%</u>	<u>0.00%</u>
Total	13.01%	13.10%

<sup>1</sup> Under CalPEPRA, the employer's contribution rate cannot be less than the Normal Cost unless the funded ratio is over 120% and other conditions in CalPEPRA are met.

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #12 <i>continued</i>	Sample Member Rates	
	FY 23 – 24	FY 22 – 23
<b>Plan H</b>		
<b><u>Tier 2</u></b>		
Entry Age: 30	12.40%	12.32%
Entry Age: 35	13.57%	13.49%
Entry Age: 40	14.81%	14.72%
<b>Plan U</b>		
Entry Age: 30	8.80%	8.25%
Entry Age: 35	9.61%	9.00%
Entry Age: 40	10.49%	9.83%



# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #6	Employer Rates	
	FY 23 – 24	FY 22 – 23
<b>Plans E and F</b>		
Normal Cost	23.16%	23.39%
UAAL	<u>30.55%</u>	<u>34.06%</u>
Total	53.71%	57.45%

<b>Plan V</b>		
Normal Cost	16.11%	16.26%
UAAL	<u>30.55%</u>	<u>34.06%</u>
Total	46.66%	50.32%

<b>Rate Group 6 combined</b>		
Normal Cost	22.40%	22.62%
UAAL	<u>30.55%</u>	<u>34.06%</u>
Total	52.95%	56.68%

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #6 <i>continued</i>	Sample Member Rates	
	FY 23 – 24	FY 22 – 23
<b>Plan F</b>		
<b><u>Tier 2</u></b>		
Entry Age: 30	18.24%	18.10%
Entry Age: 35	19.79%	19.65%
Entry Age: 40	21.42%	21.26%
<b>Plan V</b>		
Entry Age: 30	16.31%	16.12%
Entry Age: 35	17.59%	17.38%
Entry Age: 40	19.10%	18.88%

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #7	Employer Rates	
	FY 23 – 24	FY 22 – 23
<b>Plans E and F</b>		
Normal Cost	26.62%	26.66%
UAAL	<u>35.53%</u>	<u>39.73%</u>
Total	62.15%	66.39%

<b>Plans Q and R</b>		
Normal Cost <sup>1</sup>	24.79%	24.23%
UAAL	<u>35.53%</u>	<u>39.73%</u>
Total	60.32%	63.96%

<b>Plan V</b>		
Normal Cost	17.76%	17.73%
UAAL	<u>35.53%</u>	<u>39.73%</u>
Total	53.29%	57.46%

<b>Rate Group 7 combined</b>		
Normal Cost	23.18%	23.08%
UAAL	<u>35.53%</u>	<u>39.73%</u>
Total	58.71%	62.81%

<sup>1</sup> The increase in the employer Normal Cost rate from last year to this year is primarily due to the change in the average entry age from 27.8 to 28.3.

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #7 <i>continued</i>	Sample Member Rate	
	FY 23 – 24	FY 22 – 23
<b>Plan F</b>		
<b><u>Tier 2</u></b>		
Entry Age: 30	19.18%	19.08%
Entry Age: 35	20.77%	20.66%
Entry Age: 40	22.39%	22.27%
<b>Plan R</b>		
<b><u>Tier 2</u></b>		
Entry Age: 30	18.02%	17.97%
Entry Age: 35	19.51%	19.46%
Entry Age: 40	21.02%	20.97%
<b>Plan V</b>		
Entry Age: 30	17.46%	17.39%
Entry Age: 35	18.83%	18.75%
Entry Age: 40	20.44%	20.36%

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #8	Employer Rates	
	FY 23 – 24	FY 22 – 23
<b>Plans E and F</b>		
Normal Cost	27.13%	27.31%
UAAL	<u>12.36%</u>	<u>16.36%</u>
Total	39.49%	43.67%

<b>Plans Q and R</b>		
Normal Cost	26.97%	27.25%
UAAL	<u>12.36%</u>	<u>16.36%</u>
Total	39.33%	43.61%

<b>Plan V</b>		
Normal Cost	15.29%	15.11%
UAAL	<u>12.36%</u>	<u>16.36%</u>
Total	27.65%	31.47%

<b>Rate Group 8 combined</b>		
Normal Cost	23.73%	23.83%
UAAL	<u>12.36%</u>	<u>16.36%</u>
Total	36.09%	40.19%

# Contribution Rates

## Fiscal Years Beginning July 1, 2023 and July 1, 2022

Rate Group #8 <i>continued</i>	Sample Member Rate	
	FY 23 – 24	FY 22 – 23
<b>Plan F</b>		
<b><u>Tier 2</u></b>		
Entry Age: 30	18.14%	18.04%
Entry Age: 35	19.71%	19.59%
Entry Age: 40	21.38%	21.25%
<b>Plan R</b>		
<b><u>Tier 2</u></b>		
Entry Age: 30	17.94%	17.81%
Entry Age: 35	19.49%	19.35%
Entry Age: 40	21.14%	20.99%
<b>Plan V</b>		
Entry Age: 30	15.54%	15.34%
Entry Age: 35	16.76%	16.54%
Entry Age: 40	18.20%	17.96%



## Memorandum

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DATE: May 16, 2022  
TO: Members of the Board of Retirement  
FROM: Gina M. Ratto, OCERS General Counsel  
SUBJECT: **BROWN ACT TRAINING**

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### Presentation

Members of the OCERS legal team will present training on the Brown Act.

### Submitted by:

Gina M. Ratto  
General Counsel



# THE BROWN ACT

Presentation to the Board of Retirement  
Orange County Employees Retirement System  
May 16, 2022





## Purpose

### Preamble to the Brown Act

“In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State **exist to aid in the conduct of the people’s business.** It is the intent of the law that their **actions be taken openly** and that their **deliberations be conducted openly.**”

The people of this State do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, **do not give their public servants the right to decide what is good for the people to know and what is not good for them to know.** The people insist on remaining **informed so that they may retain control** over the instruments they have created.”



## Purpose

- The purpose is to facilitate public participation in local government decisions and to expose those decisions to the sunshine.
- The Act balances the public's right of access to board meetings with the need for confidential candor, debate, and information gathering.
- There is a presumption in the law in favor of public access.



## Bodies Subject to the Act

- Governing bodies of local government agencies
- Any board, commission, committee, or other body of a local agency created by charter, ordinance, resolution, or formal action
  - Exception for an advisory or *ad hoc* committee comprised solely of less than a quorum of the members of the legislative body that created it and provided it is not a standing committee.



## What is a “Meeting”

- Any congregation of a majority of the members of the board at the same time and place to hear, discuss, or deliberate upon any item that is within the subject matter jurisdiction of the agency.
- Conferences that are open to the public and involve issues of interest to the public or the local agency are exempt so long as a majority of the members do not discuss (other than as part of the scheduled program) any issues that are within the subject matter jurisdiction of the agency.
- Agency retreats are ***not*** exempt.



## What is a “Meeting”

- Attendance by a majority of the members at a purely social or ceremonial occasion is not a “meeting” provided that the members do not discuss amongst themselves specific business within the jurisdiction of the agency.
- “Serial meetings” are meetings subject to the Act. A majority of the board must not, outside a meeting, use a series of communications of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any item of agency business.



## Serial Meetings

- Serial communications that advance or clarify a member's understanding of an issue, facilitate agreement or compromise among members, or advance the ultimate resolution of an issue are "meetings." This may include circulation of written materials and emails.

### Examples:

- Daisy chain: member A communicates with member B, member B communicates with member C, etc., until a quorum of members have communicated about the issue.

## Serial Meetings



### Hub and spoke:

- Member A communicates with member B, member A communicates with member C, etc., until a quorum of members have communicated about the issue.
- A staff member (the hub) briefs a majority of members (the spokes) prior to a formal meeting and, in the process, information about the members' respective views is revealed.
- One-way communications from staff to the members are not included if member views are not relayed.



## Teleconferencing

The Brown Act permits the use of any type of teleconferencing to meet, receive public comment and testimony, deliberate, or conduct a closed session.

“Teleconference” means a meeting where some or all the board members are in different locations, connected by electronic means, through either audio or video, or both.





## Teleconferencing

### Requirements:

- The agenda for a meeting via teleconference must be posted at all teleconference locations and provide an opportunity for members of the public to address the board directly at each location.
- Each teleconference location must be identified in the notice and agenda of the meeting and each teleconference location must be accessible to the public.



## Teleconferencing

- During the teleconference, at least a quorum of the members of the board must participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.
  
- All votes taken during a teleconferenced meeting shall be by rollcall.



## Notice and Agenda Requirements

- ❑ *Regular Meetings* – Agenda with brief general description of each item to be discussed must be posted at least 72 hours prior to meeting.
- ❑ *Special Meetings* – May be called anytime on 24 hours notice; by the Chair or a majority of the members.
- ❑ No action or discussion permitted on any item not appearing on the agenda, except for matters requiring immediate action that came to the attention of the agency after the agenda was posted, provided that 2/3 of members present vote to consider the matter (or unanimous if less than 2/3 of members are present).



## Rights of the Public

- Every agenda for a regular meeting must provide an opportunity for the public to address the board/committee on any item within the subject matter jurisdiction of the board/committee.
- Additionally, the public must be given the opportunity to comment on any item listed on the agenda before or during the board/committee's consideration of the item.
- The body may establish procedures for public comment including reasonable time limitations by topic or speaker.



## Closed Sessions

- Each item to be transacted or discussed in closed session must be briefly described on the agenda;
- Before adjourning into closed session, a representative of the body must announce the items to be discussed in closed session (can be satisfied by referring to the item by number as it appears on the agenda); and
- Once the closed session has concluded, the agency must reconvene in open session where it may be required to report votes and actions taken.



## Authorized Closed Sessions

- ❑ Must be expressly authorized by law; and the authority is narrowly construed.
- ❑ Confidentiality of information acquired at a closed session must be maintained.
- ❑ Persons whose participation in the closed session is not essential to the business at hand, or who must be recused from participation, must be excluded.



## Authorized Closed Sessions

- **Litigation:** To confer with legal counsel regarding pending litigation, significant exposure to litigation or deciding whether to initiate litigation.
- **Personnel Matters:** To consider the appointment, employment, evaluation of performance, discipline or dismissal of a public employee, but NOT to discuss or take action on compensation.
- **Real Property Negotiations:** To meet with negotiator prior to purchase, sale, exchange or lease of real property to grant authority re: price and terms.
- **Public Fund Investments:** To consider the purchase or sale of particular specific pension fund investments.
- **Threats to Security:** To confer with security consultants or a security operations manager, agency counsel or law enforcement on matters posing a threat to the security of public buildings or essential public services, or the public's right of access thereto.



## Voting

- Trustees have a fiduciary duty to participate and vote, as part of their duty to administer the system/plan. Abstentions should be avoided.
  
- All votes in closed session must be recorded as roll call votes and when action is reported out in public session, the votes must be announced.





## Motion or Direction?

- **Motions** are used to take action on matters within the subject matter jurisdiction of OCERS (e.g., adopt a policy, make an expenditure of funds, enter into a contract).
- **Direction** is used to request a ministerial task of staff (like putting an item on the next agenda), or to ask staff to review or research a matter, change a practice, provide additional information or report to the board at a future date. Direction should come from the Chair and does not require the consensus of the other members.



## Meeting Materials – Public Records?

- Agendas of public meetings and any other writings, when distributed to all, or a majority of all, of the members of the body by any person in connection with a matter subject to discussion or consideration at an open meeting, are disclosable public records unless exempt from public disclosure under the PRA.
- The records “must be made available upon request without delay.”
- Records that are distributed to the members at the meeting must be available to the public on the day of the meeting.





## Remedies and Penalties

- ❑ Criminal: Member who attends a meeting in violation of the Brown Act where the member intends to deprive the public of information to which the member knows or has reason to know the public is entitled is guilty of a misdemeanor.
- ❑ Civil:
  - ❑ Actions by mandamus, injunction or declaratory relief
  - ❑ May be commenced by the D.A. or any interested party
  - ❑ Actions by taken in violation can be declared null and void
  - ❑ Agency has opportunity to cure before suit may be filed
  - ❑ Attorneys fees and costs may be awarded against the agency (but not the individual members)



# QUESTIONS?



## Hypothetical #1

The CEO emails an article to all of the Board members that praises another pension system for adopting a shorter actuarial smoothing period. The article is timely because the Board will be discussing its actuarial funding policies next month. In his email, the CEO asks the Board members to “let me know what you think.” The CEO carefully “BCCs” the Board members so that when they respond, they can’t “REPLY ALL” and create a serial meeting. Seven of the Board members reply to the CEO with their thoughts.

*Was the CEO successful in preventing a serial meeting?*



## Hypothetical #2

The Board meeting is going to be a really long one – it’s going to be at least 5:00 before the meeting is concluded. The Board takes a short, 30 minute, lunch break to try to make up some time. Four of the Board members discuss one of the upcoming agenda items over lunch in an effort to save time during the meeting – and great news – they are all in agreement. The Board Chair agrees to catch a fifth member of the Board before she goes back into the meeting to see if he can get her to vote with the others.

*Any issues?*



## Hypothetical #3

A Board member has what he thinks is a novel idea for an investment that will create significant returns for the pension fund. He writes a detailed letter to his fellow Board members describing the investment opportunity and advocating for OCERS' investment. He hands out the letter at the beginning of the Investment Committee meeting where the Committee will consider investing in a competing opportunity. He instructs the Board members and staff that his letter is not to be distributed beyond the Board members – he doesn't want other investors to beat OCERS to the opportunity.

*Can the letter be protected from disclosure?*

*Can the Committee consider the new opportunity at the meeting?*



## Memorandum

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DATE: May 16, 2022  
 TO: Members of the Board of Retirement  
 FROM: Steve Delaney, Chief Executive Officer  
 SUBJECT: **COVID-19 UPDATE**

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### Presentation

The OCERS Headquarters building has fully reopened to the public as of Monday, May 2, 2022. We had been closed for more than two years.

As I previously reported to the Board, though now opened to the public, we have not yet restarted in-person retirement counseling sessions. The limitation is not due to COVID, but instead the staffing challenges we face as we put more than 500 newly retired members on benefit payroll in May and June (over 600 new retirement applications were received between January 1 and April 1, 2022).

Members may join a pre-retirement webinar to hear in detail what is involved in retiring with an OCERS benefit. They can also call our member service phone team at any time to request assistance with specific issues or challenges.

Other COVID-related activities that still take place at OCERS –

1. I continue to meet monthly with the Crisis Management Team. Until such time as Governor Newsom ends the emergency declaration related to COVID, I want to continue our review of agency activities that may be impacted.
2. We have moved our weekly “All Team (staff) Zoom meeting” to a monthly basis, as we did pre-COVID. Now that we are back in the office it is less of a challenge to maintain team culture and cohesiveness, so a monthly meeting meets our needs. We do however continue to meet via Zoom, as the team has grown, and there are challenges trying to pack the entire OCERS team into the Board room as we did pre-COVID.

Finally, as I have previously reported to the Board, we have had two recent cases of COVID infection at OCERS. One was a staff member, one was a building maintenance vendor. We followed required protocol in both cases, though we have gone somewhat beyond stated requirements in that we informed the entire staff of the infections, rather than just the immediate unit that was impacted. The rumor mill is swift and strong, so I wanted to stay ahead of that and stand by our OCERS value of being “open and transparent.”

### Submitted by:



**SD - Approved**

Steve Delaney  
 Chief Executive Officer



*Orange County Employees Retirement System  
Retirement Board Meeting  
May 16, 2022  
Application Notices*

<i>Member Name</i>	<i>Agency/Employer</i>	<i>Retirement Date</i>
Abair, Robert	Social Services Agency	3/11/2022
Acosta, Gina	Sheriff's Dept	3/11/2022
Aiello, Anthony	Sheriff's Dept	3/11/2022
Alden, David	Social Services Agency	3/13/2022
Aloi, Claudia	Superior Court	3/11/2022
Aragon, Renee	County Counsel	3/11/2022
Ashway, Christopher	Sheriff's Dept	3/11/2022
Baker, Edward	Sheriff's Dept	3/11/2022
Barela, Sam	Health Care Agency	2/25/2022
Bartholomew, Michele	OC Public Works	3/11/2022
Beachner, Michael	Sheriff's Dept	3/11/2022
Bernal, Steve	Sheriff's Dept	3/11/2022
Bingman, Brian	Sanitation District	3/11/2022
Boss, Bonnie Jean	Social Services Agency	3/11/2022
Boston, Donna	Sheriff's Dept	3/14/2022
Bravata, Karen	Superior Court	3/4/2022
Briggs, Jon	Sheriff's Dept	3/11/2022
Briggs, Susana	Sheriff's Dept	3/11/2022
Brower, Craig	District Attorney	3/11/2022
Buckingham, Jeffrey	Fire Authority (OCFA)	3/11/2022
Bulanek, Carl	Sheriff's Dept	3/11/2022
Bunney, Robert	Sheriff's Dept	3/11/2022
Burgett, Jeffrey	Probation	3/11/2022
Burns, Bruce	Sheriff's Dept	3/11/2022
Butler, Daniel	Social Services Agency	3/11/2022
Butler, Judith	Superior Court	3/11/2022
Byerly, John	Treasurer - Tax Collector	1/24/2022
Camarena, Evangelina	District Attorney	3/11/2022
Carter, Mary	Social Services Agency	3/11/2022
Castellano, Anthony	OCTA	3/20/2022
Castro, Denise	Sheriff's Dept	3/11/2022
Chang, Jie	Sanitation District	3/11/2022
Churchill, Denise	Social Services Agency	3/11/2022
Cisneros, Arturo	OCTA	3/27/2022
Claypool, Douglas	Sheriff's Dept	3/11/2022
Coffee, Guy	Sheriff's Dept	3/11/2022
Colliere-Johnson, Madeleine	OCTA	3/19/2022
Conard, Alison	Social Services Agency	2/25/2022
Copeland, Bertrand	Sheriff's Dept	3/11/2022
Corvera, Uvaldo	Sheriff's Dept	3/11/2022
Cota, Richard	Probation	2/25/2022
Cross, Kathryn	Health Care Agency	2/25/2022

<i>Member Name</i>	<i>Agency/Employer</i>	<i>Retirement Date</i>
Curtis, Christopher	Sheriff's Dept	2/25/2022
Dahl, Colleen	Health Care Agency	3/1/2022
Damron, Tracy	Sheriff's Dept	3/11/2022
Daniels, Jenny	County Executive Office (CEO)	3/17/2022
Danlinhton, Larry	Social Services Agency	3/11/2022
De La Riva, Ronald	Probation	3/11/2022
De Los Reyes, Larry	Sheriff's Dept	3/11/2022
Defusco Iii, Louis	Superior Court	3/11/2022
Degiorgio, Garrett	Sheriff's Dept	3/11/2022
Del Rio, Arturo	Sheriff's Dept	3/11/2022
Delgado, Xiomara	Health Care Agency	3/11/2022
Demaio, Sherri	Sheriff's Dept	3/11/2022
Duchi, Anthony	Fire Authority (OCFA)	3/11/2022
Durfee, Smith	Fire Authority (OCFA)	3/23/2022
Edinger, William	Sheriff's Dept	3/11/2022
Edwards, Samuel	OC Community Resources	3/11/2022
Elkins, Arvar	Sheriff's Dept	2/25/2022
Ennis, Brian	Assessor	3/11/2022
Esguerra, Jocelyn	Health Care Agency	2/25/2022
Farooqui, Haya	Health Care Agency	3/11/2022
Fettis, Lisa	Sheriff's Dept	3/11/2022
Figueroa, Ana	County Executive Office (CEO)	3/11/2022
Finn, Robert	Sheriff's Dept	3/11/2022
Fisher, Dean	Sanitation District	3/11/2022
Fix, Jennifer	Probation	3/11/2022
Flaherty, Michael	Sheriff's Dept	3/11/2022
Franklin, Keith	Sheriff's Dept	2/25/2022
Gagen, James	Sheriff's Dept	3/11/2022
Garbiso, Angela	John Wayne Airport	3/11/2022
Garcia, Manuel	Sheriff's Dept	3/11/2022
Gardner, Brett	Sheriff's Dept	3/11/2022
Gary, Patricia	County Counsel	3/11/2022
Ghajar, Minoo	Health Care Agency	1/28/2022
Goh, Lu Lu	OCWR	3/11/2022
Gomez, Dennis	Fire Authority (OCFA)	3/11/2022
Gomez-Woods, Monica	Probation	3/11/2022
Griego, Raymond	Sheriff's Dept	3/11/2022
Guevara, San Juanita	Social Services Agency	2/12/2022
Gutierrez, Nereida	Sheriff's Dept	3/11/2022
Gutierrez, Timothy	Sheriff's Dept	3/11/2022
Guy, Darin	Sheriff's Dept	3/11/2022
Hall, Owen	Sheriff's Dept	3/11/2022
Hannah, Michael	Assessor	2/25/2022
Harding, Marie	Superior Court	2/25/2022
Hayden, Kendra	Human Resources Dept	3/11/2022
Hill, Laquanda	Social Services Agency	3/11/2022
Hoang, Tyler	Sanitation District	2/24/2022
Hodges, Anthony	Sheriff's Dept	3/11/2022

<i>Member Name</i>	<i>Agency/Employer</i>	<i>Retirement Date</i>
Hogan, Sean	Child Support Services	3/11/2022
Houlihan, Bruce	Sheriff's Dept	3/11/2022
Hove, Neil	Sheriff's Dept	3/11/2022
Howard, Julie	Superior Court	3/11/2022
Hussey, John	OC Public Works	3/11/2022
Jackson, Mark	Sheriff's Dept	3/11/2022
Janiel, Michael	Sheriff's Dept	2/25/2022
Jilek, Timothy	Sheriff's Dept	3/11/2022
Jones, Catherine	Superior Court	3/11/2022
Jones, Gary	OCTA	3/5/2022
Kaapuni, Pamela	Treasurer - Tax Collector	3/11/2022
Kajfasz, Chad	Sheriff's Dept	3/11/2022
Kauble, Jacob	Probation	3/18/2022
Kelley, Neal	Registrar of Voters	3/11/2022
Kelly, Sharon	Probation	3/11/2022
Keuscher, Kelly	Health Care Agency	3/14/2022
Kilcullen, Maria	Sheriff's Dept	3/11/2022
Kim, Connie	Social Services Agency	3/2/2022
Klotz, Sergio	City of San Juan Capistrano	3/18/2022
Kobzoff, Michael	Sanitation District	3/11/2022
Kogan, Diana	Health Care Agency	3/11/2022
Krauth, Susan	Sheriff's Dept	3/11/2022
Kurimay, Deann	Sheriff's Dept	3/11/2022
La Pyrne, Ana	Sheriff's Dept	3/11/2022
La Pyrne, Kevin	Sheriff's Dept	3/11/2022
Larrabee, Letha	OC Community Resources	3/11/2022
Le, Dustin	Sanitation District	3/11/2022
Le, Lanphuong	Social Services Agency	3/11/2022
Le, Lieu	Social Services Agency	3/11/2022
Lee, Barbara	Probation	2/25/2022
Lee-Vargas, Karen	Sheriff's Dept	3/11/2022
Levasseur, Anne	Probation	3/11/2022
Lewis, Marian	Superior Court	3/11/2022
Lippert, Norbert	OCTA	3/13/2022
Logue, David	Sheriff's Dept	3/11/2022
Lopes, Mary	Sheriff's Dept	2/25/2022
Lu, Duc	County Executive Office (CEO)	3/11/2022
Lundquist, Mark	Fire Authority (OCFA)	2/25/2022
Luque, Eduardo	Superior Court	3/11/2022
Mahnke, Heidemarie	Superior Court	12/9/2021
Mai, Sandy-Truc	Probation	1/1/2022
Mann, Jason	Sheriff's Dept	3/11/2022
Manos, David	Sheriff's Dept	3/14/2022
Markus, Patty	Social Services Agency	3/11/2022
Marta, Luis	Sanitation District	3/11/2022
May, Todd	Sanitation District	3/11/2022
Mc Alpin, James	Fire Authority (OCFA)	3/11/2022
Mc Cormick, Helen	OCTA	3/5/2022

<i>Member Name</i>	<i>Agency/Employer</i>	<i>Retirement Date</i>
McCleary, Sean	Probation	3/22/2022
Mcknight, Edgar	Probation	3/11/2022
Medina, Michael	Probation	3/11/2022
Mejia, Raymundo	District Attorney	2/25/2022
Mendivil-Knapp, Christine	OC Public Works	3/11/2022
Mendoza, Phillip	Sheriff's Dept	2/25/2022
Miller, Steven	County Counsel	3/11/2022
Mills, Darrin	Sheriff's Dept	3/11/2022
Monjaras, Erikc	Social Services Agency	2/12/2022
Moreno, Efrain	OCTA	3/1/2022
Morphew, Randy	Sheriff's Dept	3/11/2022
Morris, Tracy	Sheriff's Dept	3/11/2022
Murphy, Maria	Child Support Services	3/11/2022
Nelson, Michelle	Probation	3/11/2022
Nestor, Mark	OC Public Works	2/25/2022
Ngo, Huong	Health Care Agency	3/11/2022
Nguyen, Canh	Sanitation District	3/11/2022
Nguyen, Cuong	OCERS	3/25/2022
Nguyen, Dieu	Probation	3/11/2022
Nguyen, Khue	Sheriff's Dept	3/11/2022
Nguyen, Stephanie	Social Services Agency	3/11/2022
Nishitsuji, Wendy	Superior Court	3/11/2022
Njemanze, Susan	Social Services Agency	2/25/2022
Nunez, David	Health Care Agency	2/25/2022
Oliveira, Garen	OC Public Works	12/24/2021
Ortiz, Joseph	Probation	3/11/2022
Pablo, Victor	Sheriff's Dept	3/11/2022
Pais, Cynthia	Sheriff's Dept	3/11/2022
Patel, Sejal	Sanitation District	2/25/2022
Perez, Michael	Sheriff's Dept	3/11/2022
Perkins, William	OC Community Resources	3/11/2022
Perlin, Wendy	Superior Court	3/11/2022
Peterson, Constance	Sheriff's Dept	3/11/2022
Pettway, Derrick	Probation	3/12/2022
Phan, Anhthu	Social Services Agency	3/11/2022
Phantumabamrung, Paul	Fire Authority (OCFA)	3/11/2022
Ploghaus, Donald	Sheriff's Dept	3/11/2022
Plummer, John	OC Vector Control District	12/30/2021
Porras, James	Sheriff's Dept	2/25/2022
Quintana, Irma	Health Care Agency	3/11/2022
Ramillano, Rafael	Sheriff's Dept	2/25/2022
Reed, Tanya	Sheriff's Dept	3/11/2022
Remme, Mark	Health Care Agency	3/11/2022
Resnick, Ruth	OCWR	3/11/2022
Reyes, Andy	Sheriff's Dept	3/11/2022
Reyes, Richard	Sheriff's Dept	2/25/2022
Rivera-Arriaza, Patricia	Social Services Agency	3/11/2022
Rivers, Stephen	County Counsel	3/11/2022

<i>Member Name</i>	<i>Agency/Employer</i>	<i>Retirement Date</i>
Robles, Emily	Superior Court	2/25/2022
Rodman, Lori	OC Community Resources	3/14/2022
Rodriguez, Ruth	Sheriff's Dept	3/11/2022
Rosen, Sandra	Health Care Agency	3/11/2022
Ruelas, Monique	Social Services Agency	3/11/2022
Rzasa, Frank	Sheriff's Dept	3/11/2022
Salafia, Joseph	Superior Court	3/11/2022
Salazar, Karen	Health Care Agency	12/31/2021
Sanchez, Christopher	Sheriff's Dept	3/11/2022
Santillan, Jenni	Probation	2/25/2022
Schach, Deborah	District Attorney	3/11/2022
Schwenn, Patricia	Social Services Agency	3/11/2022
Sharp, Steven	Health Care Agency	3/11/2022
Shepas, David	Health Care Agency	3/11/2022
Shephard, Daniel	County Counsel	3/18/2022
Silva, Alejandro	Sheriff's Dept	3/11/2022
Slater, Thomas	Sheriff's Dept	2/11/2022
Smith, Natalia	District Attorney	2/25/2022
Solorzano, Mary Lou	Social Services Agency	3/11/2022
Sou, Oubol	Social Services Agency	3/11/2022
Stonehill, Anna-Lisa	Health Care Agency	3/11/2022
Tabata, Joanne	Health Care Agency	3/11/2022
Tabata, Sharon	Sheriff's Dept	3/11/2022
Terry, Cynthia	Social Services Agency	3/11/2022
Thavorn, Aileen	Social Services Agency	3/11/2022
Tjiptahadi, Rina	Health Care Agency	3/11/2022
Torrisi, Lori	County Counsel	3/2/2022
Tran, Tuoi	Human Resources Dept	2/25/2022
Trout, Robert	Sheriff's Dept	3/11/2022
Trujillo, Kimberly	Social Services Agency	3/11/2022
Tucker, Jonathan	OC Public Works	3/11/2022
Valencia, Rosana	Superior Court	2/10/2022
Vandermarliere, Tim	Fire Authority (OCFA)	3/11/2022
Vanderstelt, Andrew	Fire Authority (OCFA)	3/11/2022
Varven, Jan	Probation	3/11/2022
Vazquez, Elizabeth	Probation	3/11/2022
Vivirito, Peggy	Social Services Agency	3/11/2022
Walker, Lawrence	Treasurer - Tax Collector	2/18/2022
Walker, Pamela	Sheriff's Dept	2/25/2022
Watanabe, Lisa	Sheriff's Dept	3/11/2022
Weaver, Jeffory	Sheriff's Dept	2/25/2022
Williams, John	OCWR	3/11/2022
Williams, Phillip	OC Public Works	3/1/2022
Wilson, Cynthia	Social Services Agency	3/22/2022
Winterburn, Tina	Sheriff's Dept	3/11/2022
Witteman, Robert	Sheriff's Dept	3/11/2022
Wray, Nicholas	Sheriff's Dept	3/11/2022
Young, Brian	District Attorney	2/25/2022

<i>Member Name</i>	<i>Agency/Employer</i>	<i>Retirement Date</i>
Young, Pamela	Social Services Agency	3/11/2022
Zamarripa, Salvador	Child Support Services	3/11/2022
Zamudio, Martin	Sheriff's Dept	3/11/2022
Zwirner, Mark	Sheriff's Dept	2/25/2022

***Orange County Employees Retirement  
Retirement Board Meeting  
May 16, 2022  
Death Notices***

<i>Active Members</i>	<i>Agency/Employer</i>
Czadek, James	Social Services Agency

<i>Retired Members</i>	<i>Agency/Employer</i>
Alvarez-Miller, Maria	Health Care Agency
Ayers, Craig	Sanitation District
Biggs, Eldon	Sheriff's Dept
Coil, Harry	Sheriff's Dept
Damman, Leona	Sheriff's Dept
Depew, Bruce	OCTA
Estrada, Dolores	Health Care Agency
Gomez, Bessie	Superior Court
Green, Junius	Sheriff's Dept
Hennessy, Mary	Superior Court
Kogan, Vladimir	Sanitation District
Kusumadilaga, Chico	Probation
Maison, Robert	Sheriff's Dept
Minnie, Darlene	UCI
Mullen, Thomas	Superior Court
Quebengco, Amelia	Auditor Controller
Quiroz, Vincente	OCTA
Randall, Charles	Sheriff's Dept
Riesenfeld, Alfred	John Wayne Airport
Sano, Frank	County Executive Office (CEO)
Sievers, Ronald	City of San Juan Capistrano
Stewart, Carol	Superior Court
Weisz, Dorothy	OC Public Works
Williamson, James	District Attorney
Winkle, Arnold	Social Services Agency
Woodward, John	Sheriff's Dept
Zimmerle, August	Sheriff's Dept

<i>Surviving Spouses</i>	
Gierth, Charles	
Klukan, Dianne	
Kusumadilaga, Chico	
Murray, Patricia	
Sherwood, Marianne	
Woodward, John	
Zimmerle, Bertha	

Governance Committee Meeting  
February 14, 2022

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM  
2223 E. WELLINGTON AVENUE, SUITE 100  
SANTA ANA, CALIFORNIA 92701**

**GOVERNANCE COMMITTEE MEETING  
February 14, 2022  
10:00 a.m.**

**MINUTES**

The Chair called the meeting to order at 10:01 a.m.

Ms. Torres administered the roll call.

Present via Zoom Video conference pursuant to Government Code § 54953, as amended by AB 361:

Arthur Hidalgo, Chair; Richard Oates, Vice Chair; Shari Freidenrich; Adele Tagaloa

Also present via Zoom:

Steve Delaney, Chief Executive Officer; Gina Ratto, General Counsel; Brenda Shott, Assistant CEO, Internal Operations; Molly Murphy, CFO; Manuel Serpa, Staff Attorney; Anthony Beltran, Audio Visual Technician; Cammy Torres, Recording Secretary

**CONSENT AGENDA**

**C-1 APPROVE GOVERNANCE COMMITTEE MEETING MINUTES**

Governance Committee Meeting Minutes

October 28, 2021

**MOTION** by Mr. Oates, **seconded** by Ms. Freidenrich, to approve the Minutes.

The motion passed **unanimously**.

**ACTION ITEMS**

**A-1 INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA**

No items were trailed from the Consent Agenda.

**A-2 TRIENNIAL REVIEW OF:**

- (1) THE BOARD OF RETIREMENT CHARTER;**
- (2) THE BOARD CHAIR CHARTER;**
- (3) THE BOARD VICE CHAIR CHARTER; AND**
- (4) THE COMMITTEE CHAIR CHARTER**



Governance Committee Meeting  
February 14, 2022

*Presentation by Gina M. Ratto, General Counsel*

**Recommendation:** Approve and recommend the Board adopt the proposed revisions to the four Charters as presented.

Ms. Ratto presented the staff's proposed revisions to the four Charters.

The Committee discussed and proposed several additional revisions to the Board of Retirement Charter. Chair Hidalgo directed staff to bring the Board of Retirement Charter back to the Committee with the revisions requested by the Committee members.

The Committee recessed for break at 11:29 a.m.  
The Committee reconvened from break at 11:40 a.m.

Ms. Torres administered the roll call.

The Committee then discussed the Board Chair Charter, the Board Vice Chair Charter and the Committee Chair Charter.

**MOTION** by Mr. Oates, **seconded** by Ms. Freidenrich, to approve and recommend the Board adopt the proposed revisions to the Board Chair Charter, the Board Vice Chair Charter, and the Committee Chair Charter with additional minor changes as discussed.

The motion passed **unanimously**.

**A-3 TRIENNIAL REVIEW OF OCERS RULES OF PARLIAMENTARY PROCEDURE**

*Presentation by Gina M. Ratto, General Counsel*

**Recommendation:** Approve and recommend the Board adopt the proposed revisions to the OCERS Rules of Parliamentary Procedure as presented.

Ms. Ratto presented the OCERS Rule of Parliamentary Procedure.

After discussion, **MOTION** by Ms. Tagaloa, **seconded** by Mr. Oates to approve and recommend the Board adopt the proposed revisions to the OCERS Rules of Parliamentary Procedure as presented.

The motion passed **unanimously**.

**A-4 TRIENNIAL REVIEW OF THE INDEMNITY AND DEFENSE POLICY**

*Presentation by Manuel Serpa, Staff Attorney*

**Recommendation:** Approve and recommend the Board adopt the proposed revisions to the Indemnity and Defense Policy as presented.

Mr. Serpa presented the Indemnity and Defense Policy.

**MOTION** by Ms. Tagaloa, **seconded** by Mr. Oates to approve and recommend the Board adopt the proposed revisions to the Indemnity and Defense Policy as presented.

The motion passed **unanimously**.

Governance Committee Meeting  
February 14, 2022

**INFORMATION ITEMS**

**I-1 REVIEW OF THE GOVERNANCE COMMITTEE CHARTER AND 2022 WORKPLAN AND MEETING SCHEDULE**

*Presentation by Gina M. Ratto, General Counsel*

Ms. Ratto presented the Governance Committee Charter and discussed the 2022 workplan and future meeting schedule with the Committee.

**COMMITTEE MEMBER COMMENTS**

N/A

**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS**

N/A

**COUNSEL COMMENTS**

N/A

**ADJOURNMENT**

The meeting adjourned at 12:08 p.m.

**Submitted by:**

**Approved by:**

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Steve Delaney  
Secretary to the Board

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Arthur Hidalgo, Chair



## Memorandum

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DATE: May 16, 2022  
TO: Members of the Board of Retirement  
FROM: Steve Delaney, Chief Executive Officer  
SUBJECT: **CEO FUTURE AGENDAS AND 2022 OCERS BOARD WORK PLAN**

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### Written Report

#### AGENDA TOPICS FOR THE OCERS BOARD OF RETIREMENT

##### JUNE

December 31, 2021 Actuarial Valuation Final Approval  
2022 Strategic Planning Workshop - Initial Proposed Agenda  
OCERS 2022 Business Plan and 2022-2024 Strategic Plan: Mid-Year Review  
2021 Annual Financial Report and related audit reports  
CIO Comments

##### JULY

Travel and Training Expense Report  
Strategic Planning Workshop – Final Agenda  
Consideration of Early Payment of Employer Contributions For Fiscal Year 2023-2024  
Segal Cost Projections  
CIO Comments

##### AUGUST

Employer Employee Contribution Matrix  
OCERS by the Numbers  
Sexual Harassment Prevention Training  
The Evolution of the OCERS UAAL

### Submitted by:



**SD - Approved**

Steve Delaney  
Chief Executive Officer

OCERS RETIREMENT BOARD - 2022 Work Plan

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep (Offsite)	Oct	Nov	Dec
<b>System Oversight</b>	Receive Quality of Member Services Report (I)	STAR COLA Posting (I)	Approve 2022 STAR COLA (A)	SACRS Board of Directors Election (A)	Preliminary December 31, 2021 Valuation (I)	Mid-Year Review of 2022 Business Plan Progress (I)	Alt. Invest. Return and Assumption Sensitivity: 20-year Illustration (I)	Review 2nd Quarter Budget to Actuals Financial Report (I)	Strategic Planning Workshop (I)	Overview of 2023 Administrative Budget and Investment (Workshop) (I)	Review 3rd Quarter Budget to Actuals Financial Report (I)	
	Receive OCERS Innoation Report (I)	Approve 2023 COLA (A)	Quarterly 2022-2024 Strategic Plan Review (A)			Approve December 31, 2021 Actuarial Valuation & Funded Status of OCERS (A)	Actuarial Review: Risk Assessment (I)	Receive OCERS by the Numbers (I)	Annual OCERS Employer Review (I)	Approve 2023-2025 Strategic Plan (A)	Approve 2023 Administrative (Operating) Budget (A)	
						Approve 2021 Comprehensive Annual Financial Report (A)	Approve Early Payment Rates for Fiscal Year 2022-24 (A)	Receive Evolution of the UAAL (I)		Approve 2023 Business Plan (A)	Annual CEO Performance Review and Compensation (A)	
						Quarterly 2022-2024 Strategic Plan Review (A)		Employer & Employee Pension Cost Comparison (I)				
												Adopt 2023 Board Meeting Calendar (A)
<b>Board Governance</b>				Brown Act Training (biannual) (I)				Sexual Harassment Prevention Trainnig (I)				Adopt Annual Work Plan for 2023 (A)
				Fiduciary Training (I)								Vice-Chair Election (A)
												Receive 2023 Board Committee Assignments (A)
<b>Regulation / Policies</b>	Communication Policy Fact Sheet (I)											
<b>Compliance</b>	Status of Board Education Hours for 2021 (I)			Form 700 Due (A)		Receive Financial Audit (I)			State of OCERS (I)			

(A) = Action (I) = Information



## Memorandum

**DATE:** May 16, 2022  
**TO:** Members of the Board of Retirement  
**FROM:** Jim Doezie, Contracts, Risk and Performance Administrator  
**SUBJECT:** QUIET PERIOD – NON-INVESTMENT CONTRACTS

### Written Report Background/Discussion

1. **Quiet Period Policy Guidelines**

The following guidelines established by the Quiet Period Policy, section 3.c, will govern a search process for any contract to be awarded by OCERS:

*“...Board Members and OCERS staff shall not knowingly communicate with any party financially interested in any prospective contract with OCERS regarding the contract, the services to be provided under the contract or the selection process;”*

2. **Quiet Period Guidelines**

In addition, the following language is included in all distributed RFP's:

*“From the date of issuance of this RFP until the selection of one or more respondents is completed and announced, respondents are not permitted to communicate with any OCERS staff member or Board Members regarding this procurement, except through the Point of Contact named herein. Respondents violating the communications prohibition may be disqualified at OCERS’ discretion. Respondents having current business with OCERS must limit their communications to the subject of such business.”*

### Distributed RFP's

The RFP's noted below are subject to the quiet period until such time as a contract(s) is finalized.

- ∑ An RFP for Insurance Broker Services was distributed in late March 2022. This RFP is to put into place an Insurance Broker as our current vendor contract has been in place for six years and their services needs to be re-bid per the Procurement and Contracting Policy. Responses due May 6<sup>th</sup>.
- ∑ An Actuarial Auditor Services RFP was released early April 2022. These services are requested every five years and it is time to perform this review. Bid responses due May 9<sup>th</sup>.

### Submitted by:



**ID - Approved**

Jim Doezie  
Contracts, Risk and Performance Administrator



## Memorandum

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**DATE:** May 16, 2022  
**TO:** Members of the Board of Retirement  
**FROM:** Steve Delaney, Chief Executive Officer  
**SUBJECT: BOARD COMMUNICATIONS**

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### Written Report

#### Background/Discussion

To ensure that the public has free and open access to those items that could have bearing on the decisions of the Trustees of the Board of Retirement, the OCERS Board has directed that all written communications to the entire Board during the interim between regular Board meetings be included in a monthly communications summary.

#### News Links

The following news and informational item was provided by the CEO for distribution to the entire Board:

#### Steve Delaney:

- ∑ This article addresses CalPERS' consideration of SB 1328, the Russian divestment bill Mr. Leiderman discussed with the OCERS Board on Monday, April 18, 2022.  
[https://www.pionline.com/pension-funds/calpers-board-opposes-2-state-divestment-bills?utm\\_source=p-i-plan-sponsor-topical-email&utm\\_medium=email&utm\\_campaign=20220420&utm\\_content=hero-image&CSAuthResp=1650472568911%3A0%3A74971%3A391%3A24%3Asuccess%3A2F8CCC2021C6205C35BE51FE4DCD4EED#cci\\_r=](https://www.pionline.com/pension-funds/calpers-board-opposes-2-state-divestment-bills?utm_source=p-i-plan-sponsor-topical-email&utm_medium=email&utm_campaign=20220420&utm_content=hero-image&CSAuthResp=1650472568911%3A0%3A74971%3A391%3A24%3Asuccess%3A2F8CCC2021C6205C35BE51FE4DCD4EED#cci_r=)

#### Other Items: (See Attached)

1. Monthly summary of OCERS staff activities and updates, starting with an overview of key customer service metrics, for the month of MARCH 2022.

#### Submitted by:



**SD - Approved**

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Steve Delaney  
 Chief Executive Officer

**Nih, Carolyn**

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**From:** Delaney, Steve  
**Sent:** Thursday, April 28, 2022 6:43 PM  
**To:** Delaney, Steve  
**Subject:** OCERS ACTIVITIES and UPDATES (MARCH 2022)  
**Attachments:** 2022 - March Summary.docx

To the members of the OCERS Board,

Attached is the MARCH 2022 Activities and Updates report.

Please also be aware that OCERS has had a staff member last week, and a day porter this week test positive for COVID. Following CalOSHA guidelines we have notified all staff, and those few that were in the vicinity of the individuals who tested positive have been sent home for five days of quarantine.

Following are a series of photos as our protocol also calls for a deep cleaning of those areas within the building that were used by the staff members who tested positive.

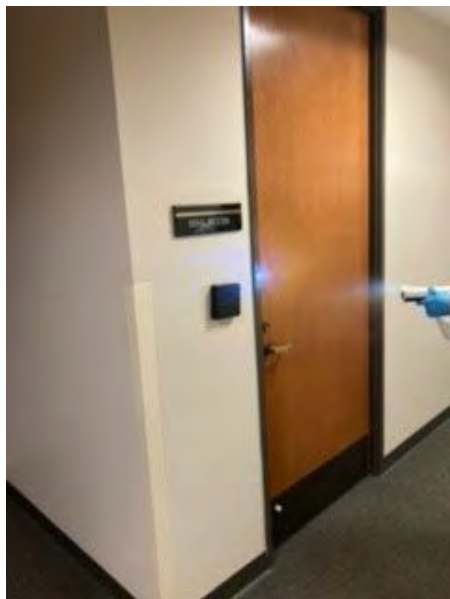
If any items raise questions, please call or write at any time.

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**STEVE DELANEY** | Chief Executive Officer | **Orange County Employees Retirement System (OCERS)**

P: (714) 558-6222 | C: (714) 697-8291 | ✉: [sdelaney@ocers.org](mailto:sdelaney@ocers.org) | 2223 E. Wellington Ave., Suite 100 | Santa Ana, CA 92701

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4 Hutton Centre Drive, Suite 240  
Santa Ana, CA 92707 | USA  
[cushmanwakefield.com](http://cushmanwakefield.com)



# Monthly Team Status March 2022

To the members of the OCERS Board of Retirement,

The following is my regular monthly summary of OCERS’ team activity, starting with an overview of key customer service statistics as well as activity highlights followed by updates for March.

## MEMBER SERVICES MONTHLY METRICS

Retirement Applications Received					2022 Customer Service Statistics						
Month	2019	2020	2021	2022	Month	Unplanned Recalculations	Member Satisfaction Approval Rate	Calls Received via Call Center	Calls Direct to Extension	Calls Received by Operator	Total Calls (monthly)
Jan	265	240	117	346	January	0	98%	3,004	5,402	1,060	9,466
Feb	193	152	91	155	February	0	98%	2,972	5,577	1,271	9,820
Mar	112	95	51	120	March	1	98%	2,666	4,951	845	8,462
Apr	41	37	39		April						
May	41	43	52		May						
Jun	50	59	49		June						
Jul	52	262	64		July						
Aug	61	190	59		August						
Sep	42	117	70		September						
Oct	59	51	67		October						
Nov	49	48	95		November						
Dec	68	66	93		December						
<b>Grand Total</b>	<b>1033</b>	<b>1360</b>	<b>847</b>	<b>621</b>	<b>Grand Total</b>	<b>1</b>	<b>98%</b>	<b>8,642</b>	<b>15,930</b>	<b>3,176</b>	<b>27,748</b>

## MEMBER SURVEY RESPONSE

“I would like to take a moment to thank one of your customer service representatives for their superb service to my mother. They went “above and beyond” to help my mother with accessing her proof of payment for her Medicare Services.”

**March 2022**

“I would just like to tell you how grateful I was to be able to attend the seminar with your OCERS representative. They did an excellent job at explaining this very intimidating process. The representative was very pleasant and made our virtual presentation very fun. Although I am not ready to retire yet, attending this seminar gave me comfort in knowing how professional and knowledgeable OCERS representatives are. I was able to call this same representative later in the week with additional questions and they were just as polite.”

**February 2022**

“I would like to submit a compliment and recognize one of your customer service team members for their efforts in assisting us with understanding a 415 Pension CAP question. They were very professional and listened carefully to all my questions and followed up with answers in a very timely manner. They are a fantastic representative for OCERS and I was so impressed that I wanted to make sure that I passed on how pleased I was with their assistance. Thank You. “

**January 2022**



# Monthly Team Status

## March 2022

### ACTIVITIES

#### INVESTMENT TEAM

Mr. Beeson reports on the Investment Team's March activities:

As of February 28, 2022, the portfolio year-to-date is down 3.6% net of fees, while the one-year return is up 11.3%. The fund value now stands at \$22.1 billion. The OCERS Investment Team returned to the office on a hybrid schedule in March (three days in the office and two days working from home each week). The Investment Team closed on two new private equity funds during March. OCERS' Investment Team held its annual strategic planning session in the office during the month. The session included discussing the team's conviction level on each manager in the OCERS portfolio. The OCERS Investment Team also conducted its annual goal setting meeting in March. This session involved a review of the 2021 team goals and then set the team goals for 2022. OCERS' Investment Team continued researching portfolio exposures to Russia and Ukraine as well as any second derivative impact from the war. Finally, the Investment Team was busy reviewing resumes for the open Investment Officer position during the month.

### UPDATES

#### ALAMEDA RECALCULATION

As I mentioned during the April 18 Board meeting, I wanted to share here detail of a contract signed in March to assist in the ALAMEDA RECALCULATION project. In accordance with the Board's procurement policy, I executed a \$50,000 contract for project management with Ms. Sally Choi, formerly CFO of San Diego County Employees Retirement Association, Chief of Operations for the Motion Picture Industry health and pension plan, and most importantly, CEO of the Los Angeles City Employees Retirement System. Ms. Choi is assisting Ms. Jenike and Mr. Lamberson in crafting a project plan to ensure accuracy and efficiency in the large task that lay ahead, a project we anticipate will stretch into 2023. As OCERS has grown, it appears to me that a permanent Project Manager would be of great assistance to OCERS, so we are using Ms. Choi and her experience to not only help us with this project in particular, but to lay the groundwork for a presentation to the Board on the positive gains we can obtain with such an approach.

I anticipate that I will need to amend the contract with Ms. Choi, still within my budget and contracting authority, to get us to the end of 2022, and could then look to a possible future OCERS Project Manager to bring the recalculation project to conclusion.



# Monthly Team Status

## March 2022

### **VISION 2030 (An AI [Artificially Intelligent] Driven Pension Administration System)**

The AI ad hoc Committee continues to meet weekly. Since last September when I laid out for the Board's consideration the expectations of VISION 2030 we have used these meetings as opportunities to reach out and network with other pension plans and related public employers who have started their own journey towards an AI implementation. In past months we have held conference calls with three different Canadian Pension Plans. We conferenced with the Canadian version of Social Security, as well as with the massive ADP pension plan in the Netherlands.

Two highlights in the month of March:

I had opportunity to share a presentation at the annual CALAPRS General Assembly regarding OCERS initial efforts with AI implementation, together with detail shared by a representative I invited from the Alberta Investment Corporation as well as Mr. Sahota, the IBM engineer the OCERS Board heard from in September on the future of AI.

We also had a very constructive meeting with one of our own participating employers, the Superior Courts of Orange County. Ms. Shott had recently learned that they were several years into a basic AI augmentation project, and we wanted to learn what we could from their efforts thus far, as well as build a network that would allow our ad hoc committee to work closely with their IT team. It was a successful meeting; we will be continuing in close communication with the Superior Courts on this issue.



As a reminder, you will see this memo included with the BOARD COMMUNICATIONS document as part of the informational agenda for the May 16 meeting of the OCERS Board of Retirement.





## Memorandum

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**DATE:** May 16, 2022  
**TO:** Members of the Board of Retirement  
**FROM:** Gina M. Ratto, General Counsel  
**SUBJECT:** LEGISLATIVE UPDATE

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### Written Report

The California Legislature reconvened for the second year of the 2021-22 Legislative Session on January 3, 2022. The Legislature was on Spring Recess until April 18, 2022. The last day for each house to pass bills introduced in that house is May 27, 2022. A comprehensive list and summary of the pending bills that staff is monitoring during the second year of the 2021-2022 legislative session is attached. **New or updated information since the last report to the Board are indicated in bold text.**

#### SACRS Sponsored Bills

The SACRS membership approved the SACRS proposed legislation (annual CERL housekeeping bill) at the Fall Conference last November<sup>1</sup>. Most of the proposals in the approved SACRS Sponsored Bill have been placed into the annual omnibus committee cleanup bill with amendments to the PERL and the Education Code introduced by CalPERS and CalSTRS, respectively. (See AB 1824 below.) The remaining proposals, while not controversial, were placed in a policy bill (see AB 1971 below) because they are more than “technical cleanup” amendments suitable for an omnibus bill. **In light of informal feedback in opposition to some of the provisions of AB 1971, the bill was amended on April 18, 2022 to delete a few of the proposed amendments.**

#### Bills that Would Amend the CERL or PEPR

##### **AB 498 (Quirk-Silva)**

CERL defines compensation earnable for purposes of its provisions, with particular application to the calculation of final compensation and the determination of pension amounts and other benefits. In this regard, “compensation earnable” by a member means the average compensation as determined by the retirement board, for the period considered based on the average number of days ordinarily worked by persons in the same grade or class of positions during the period, as specified. PEPR prescribes various limitations on public employees, employers, and retirement systems concerning, among other things, the types of remuneration that may be included in compensation that is applied to pensions.

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<sup>1</sup> The proposed legislation was approved by the OCERS Board at its October 18, 2021 meeting.

This bill would delete the term “grade” and replace it with the term “group” for purposes of the definition of compensation earnable, as described above. The bill would define the phrase “group or class of positions” for purposes of this definition to mean a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical work-related grouping, and would specify that a single employee is not a group or class. The bill would state that its changes are declaratory of existing law and would make a declaration of legislative intent in regards to its application.

(STATUS: AB 498 was originally introduced as a Computer Science Access Initiative. AB 498 passed out of the Assembly and was ordered to the Senate on 05/27/21. In the Senate on 09/10/21, the bill was gutted and replaced with language to amend the CERL. It was referred to Com. on RLS on 09/10/21.)

### **AB 826 (Irwin)**

This bill, which would apply only in Ventura County, would provide that compensation and compensation earnable include flexible benefits plan allowances paid by a county or a district on behalf of its employees as part of a cafeteria plan, as specified, if certain requirements are met. Among these conditions, the bill would require that the retirement system included the flexible benefit plan allowance as part of compensation earnable as of July 30, 2020, that the employer and employee paid contributions to the retirement system based on the flexible benefit plan allowance, and that an employer and an employee continues to pay those contributions as employee earns this allowance. The bill would apply these provisions to eligible members who have retired prior to the effective date of the measure and would state that these provisions are declarative of existing law.

The bill would add section 31461.7 to the Government Code, to read:

(a) This section applies only to a county of the thirteenth class, as defined by Section 28020, as amended by Chapter 1204 of the Statutes of 1971, and Section 28034, as amended by Chapter 1204 of the Statutes of 1971.

(b) (1) Compensation, as defined in Section 31460, and compensation earnable, as defined in Section 31461, include flexible benefits plan allowances paid by a county or a district on behalf of its employees as part of a cafeteria plan offered pursuant to Section 125 of the Internal Revenue Code if all of the following requirements are met:

(A) The flexible benefit plan allowance is made available to any person in the same grade or class of positions. For purposes of this subdivision, “grade or class of positions” means a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical, work-related grouping. A single employee shall not be considered a grade or class of positions.

(B) The flexible benefit plan allowance is not expressly excluded from “compensation earnable” pursuant to paragraphs (2) to (4), inclusive, of subdivision (b) of Section 31461.

(C) The retirement system included the flexible benefit plan allowance as part of compensation earnable as of July 30, 2020, and the employer and employee paid contributions to the retirement system based on the flexible benefit plan allowance as of that date.

(D) The employer and employee pay the required contributions to the retirement system as the employee continues to earn the flexible benefit plan allowance.



(2) For employee groups in which the monetary amount of the flexible benefits plan allowance is the same for all employees, regardless of the number of dependents, the entire amount shall be included in compensation earnable. For employee groups in which the monetary amount of the flexible benefits plan allowance varies among employees depending on the number of dependents, the amount included in compensation earnable shall be the amount provided to an employee with no dependents.

(c) This section shall only apply to employees who are not new members, as defined in Section 7522.04.

(d) Paragraphs (1) and (2) of subdivision (b) shall apply to any eligible member who has retired prior to the effective date of this section, as permitted by subdivision (a) of Section 31481.

(e) This section is declarative of existing law.

(STATUS: Introduced 02/16/21 as bill to amend the Public Resources Code. Bill was gutted and replaced with language that would amend the CERL on 06/21/21. In Senate, read third time, amended to apply only in Ventura County and ordered to second reading on 08/31/21. Read second time and ordered to third reading on 09/01/21. Ordered to inactive file at the request of Senator Limón on 09/08/21.)

**AB 1824 (Cooper, Voepel, Calderon, Cooley, O'Donnell, and Seyarto) – SACRS Sponsored Bill**

This bill represents the annual omnibus bill to propose technical “housekeeping” amendments to the CERL, the PERL, and Education Code provisions applicable to CalSTRS.

With respect to the CERL, the bill would make the following changes:

1. The CERL requires, upon the death of a member, the payment of a retirement allowance earned but not yet paid to a member to be paid to the member’s designated beneficiary. The CERL requires, upon the death of a person receiving a survivor’s allowance, the payment of any allowance earned but not yet paid to the survivor to be paid to the survivor’s designated beneficiary. This bill would amend Government Code section 31452.7 to include a corporation, a trust, or an estate in the definition of “beneficiary” for purposes of these provisions.
2. The CERL restricts the types of employment for which members may receive credit for service and restricts credit for other employment in public service based upon whether the member is entitled to receive a pension or retirement allowance from another public agency. If a member elects to contribute to obtain credit for other employment in another public agency, the CERL requires certification, as specified, of the fact that pension or retirement allowance will not accrue to the member by virtue of the member’s employment. This bill would amend Government Code section 31641.4 to specify that the provisions described above do not prohibit a member from receiving credit for a period of federal public service if federal law expressly permits the credit even though the member is already entitled to receive a pension or retirement allowance from that service.
3. The CERL prescribes a process for purposes of establishing a date of retirement with reference to safety members. Further, the CERL authorizes a safety member to be retired upon the occurrence of certain events and the filing, with the retirement board, of a written application setting forth the date upon which the member desires their retirement to become effective. The CERL prohibits this date from being more than 60 days after the date of filing the application. This bill would amend Government Code

sections 31663.25 and 31663.26 to revise the restrictions on the above-described effective retirement date to prohibit the retirement date from being earlier than the date the application is filed with the board or more than 60 days after the date of filing the application or more than a number of days that has been approved by the board.

4. The CERL authorizes the payment of a death benefit upon the death of a member while in service. It further prescribes the components of the death benefit, which are a member's accumulated contributions and an amount, provided from contributions by a county or district, calculated pursuant to a specified method, not to exceed 50% of annual compensation earnable or pensionable compensation of the deceased. This bill would amend Government Code sections 31761, 31762, 31763, 31764 and 31781 to require, in connection with the calculation of the death benefit, that the computation for any absence be based on the compensation of the position held by the member at the beginning of the absence.
5. The bill would also make non-substantive style and technical changes to the CERL. (Government Code sections 31726 and 31726.5.)

(STATUS: Introduced 02/07/22. Read second time and amended on 02/28/22. Read second time and amended on 03/07/22. Read second time; and ordered to Consent Calendar on 03/31/22. **Read third time; passed; ordered to Senate. In Senate: Read first time; referred to Com. on RLS for assignment on 04/07/22.**)

**AB 1971 (Cooper) – SACRS Sponsored Bill Amended in Assembly on 04/18/22**

~~The CERL authorizes the board of retirement to make regulations that are not inconsistent with its provisions and these regulations become effective when approved by the applicable board of supervisors. This bill would specify other provisions with which the above-described regulations are required to be consistent and would remove the requirement of approval by the board of supervisors as a necessary condition for them to become effective.~~

The CERL authorizes a member who returns to active service following an uncompensated leave of absence on account of illness or parental leave to receive service credit for the period of the absence upon the payment of the contributions, as specified. CERL prescribes limits on these benefits and processes for making contributions. CERL authorizes the provision of service credit to members in other specified instances while generally providing that a person is not entitled to service credit for time the person was not in service. This bill would authorize the board to grant members who are subject to a temporary mandatory furlough the same service credit and compensation earnable or pensionable compensation to which the members would have been entitled in the absence of the temporary mandatory furlough. The bill would authorize the board to condition this grant on specified factors.

The CERL generally prohibits a member retired from service from being paid for service rendered to a county or district after retirement, subject to certain exceptions, and prescribes requirements for reinstatement into a retirement system upon reemployment. CERL and PEPR authorize reemployment of, and service by, retired members in certain capacities after retirement without reinstatement into the applicable retirement system, and prescribe limits on this service. This bill would authorize a person who is retired ~~under CERL and receiving a retirement benefit from a county system~~ to serve without reinstatement for service on a part-time ~~state,~~

~~county, city, district, or other political subdivision~~ board or commission **operating under a participating agency of the same county retirement system.** The bill would prohibit a retired person **servicing** acting in this capacity from acquiring benefits, service credit, or retirement rights with respect to the service and would prescribe limits on the ~~hours of service and the associated salary or stipend for the part-time service for service with the board or commission.~~

The CERL regulates disability retirements and authorizes a retirement board to grant a service retirement allowance pending the determination of the entitlement to disability retirement. If a member is found eligible for disability retirement, CERL requires that appropriate adjustments be made in the member's retirement allowance retroactive to the effective date of their disability retirement. CERL prohibits this authorization from being construed to authorize a member to receive more than one type of retirement allowance for the same period of time or to entitle a beneficiary to receive benefits which the beneficiary would not otherwise have been entitled to receive. This bill would apply specified provisions in this regard to a member retired for service who subsequently files an application for disability retirement and, if the member is found to be eligible for disability retirement, would require appropriate adjustments to be made in the retirement allowance retroactive to the effective date of the disability retirement. ~~The bill would also require that, if a member with a disability retirement is subsequently determined not to be incapacitated, and the person's employer does not offer to reinstatement, the person's retirement allowance is to be reclassified to a service retirement in the same amount and subject to any applicable future cost of living adjustments. The bill would require, in this regard, that the optional or unmodified type of allowance selected by at the time of retirement for disability be binding as to the service retirement.~~

The CERL authorizes a member or a retired member, until the first payment of a retirement allowance is made, to elect to have the actuarial equivalent of a retirement allowance, as of the date of retirement, applied to a lesser retirement allowance payable throughout life in accordance with specified optional settlements. This bill would authorize a member retired for service who is subsequently granted a disability retirement to change the type of optional or unmodified allowance that they elected at the time the service retirement was granted, as specified.

~~The CERL authorizes the granting of reciprocal benefits to members with service in other retirement systems that have entered into agreements to provide such benefits, provided that the member satisfies specified requirements. CERL prohibits these provisions from being construed to authorize a member credited with service in multiple entities who is eligible for a disability allowance to receive an amount that results in a disability allowance greater than the amount the member would have received had all the member's service been with only one entity. CERL requires, in this connection, that each entity calculate its respective obligations based upon the member's service with that entity and adjust its payment on a pro rata basis. This bill would require, with regard to disability allowances subject to reciprocity to be adjusted on a pro rata basis, as described above, if one entity does not reduce the amount it pays a member, then another entity is to reduce the allowance it pays the member by as much as necessary to ensure that the member does not receive a disability allowance greater than the amount the member would have received had all the member's service been with only one entity.~~

(STATUS: Introduced 02/10/22. Referred to Com. on P.E & R on 02/18/22. **From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E. & R. Read second time and amended on 04/18/22. Re-referred to Com. on P.E. & R. on 04/19/22. From committee: Do pass on 04/20/22. Read second time. Ordered to third reading 04/21/22.**)

**AB 2493 (Chen)**

*(This bill was previously a bill that would have made a non-substantive change to local agency law requiring action by resolution.)*

This bill would authorize a county retirement system to adjust retirement payments based on disallowed compensation for sworn peace officers and firefighters of that system. The bill would provide that if the retirement system determines that the compensation reported for a sworn peace officer or firefighter of the system is disallowed compensation, as defined, the system would require the county employer or agency to discontinue reporting the disallowed compensation. The bill would apply this to determinations made on or after July 30, 2020, if an appeal has been filed and the applicable member, retired member, survivor, or beneficiary has not exhausted their administrative or legal remedies.

The bill would require, for an active sworn peace officer or firefighter, that all contributions made on the disallowed compensation be credited against future contributions to the benefit of the employer or agency that reported the disallowed compensation, and any contribution paid by, or on behalf of, that member, be returned to the member by the employer or agency, as specified.

The bill would require, for a retired sworn peace officer or firefighter, survivor, or beneficiary whose final compensation was predicated upon the disallowed compensation, that contributions made on the disallowed compensation be credited against future contributions to the benefit of the employer or agency that reported the disallowed compensation and would require the system to permanently adjust the benefit of the affected retired member, survivor, or beneficiary to reflect the exclusion of the disallowed compensation.

The bill would specify other conditions required to be satisfied with respect to a retired sworn peace officer or firefighter, survivor, or beneficiary whose final compensation was predicated upon disallowed compensation, including, among others, requiring payment of a penalty by the employer or agency that reported contributions on the disallowed compensation. The bill would also require certain information regarding the relevant retired member, survivor, or beneficiary needed for purposes of these provisions to be kept confidential by the recipient.

(STATUS: Introduced 02/17/22. On 03/24/22: Referred to Com. on P.E & R; from committee chair, with author's amendments: amend, and re-refer to Com. on P.E & R; read second time and amended. Re-referred to Com. on P.E & R on 03/28/22. On 04/05/22: From committee chair, with author amendments: amend, and re-refer to Com. on P.E & R; read second time and amended. **Re-referred to Com. on P.E & R on 04/06/22. From committee: Do pass on 04/20/22. Read second time; ordered to third reading on 04/21/22.**)

**Bills that Would Amend the Brown Act**

**AB 1944 (Lee) Amended in Assembly on 4/18/22**

The Ralph M. Brown Act (the Brown Act), requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding the timelines for posting an agenda and providing for the ability of the public to observe and provide comment. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.

The Brown Act was amended in response to the COVID pandemic to allow, until January 1, 2024, local agencies to use teleconferencing without complying with the aforementioned teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health. ~~This bill would further amend the Brown Act (without a sunset provision) to specify that when the legislative body has elected to allow members to participate via teleconferencing, and a member of a legislative body elects to teleconference from a location that is not public, the address does not need to be identified in the notice and agenda or be accessible to the public.~~ This bill would further amend the Brown Act to require the agenda to identify any member of the legislative body that will participate in the meeting remotely. The bill would also require an updated agenda reflecting all of the members participating in the meeting remotely to be posted, if a member of the legislative body elects to participate in the meeting remotely after the agenda is posted. This bill would authorize, under specified circumstances and upon a determination by a majority vote of the legislative body, a member to be exempt from identifying the address of the member's teleconference location in the notice and agenda or having the location be accessible to the public, if the member elects to teleconference from a location that is not a public place. This bill would require all open and public meetings of a legislative body that elects to use teleconferencing to provide a video stream accessible to members of the public and an option for members of the public to address the body remotely during the public comment period through an audio-visual or call-in option. **This bill would repeal these provisions on January 1, 2030.** (STATUS: Introduced on 02/10/22. Referred to Com. on L. GOV on 02/18/22. **From committee chair, with author's amendments: Amend, and re-refer to Com. on L GOV. Read second time and amended on 4/18/22. Re-referred to Com. on L GOV on 04/19/22. In committee: Set, first hearing; hearing canceled at the request of author.**)

**AB 2449 (B. Rubio)**

The Brown Act, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health. This bill would authorize a local agency to use teleconferencing without complying with those specified teleconferencing requirements if, during the

teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, provided that the legislative body complies with all of the following: (1) the legislative body gives notice of the meeting and posts agendas as otherwise required by the Brown Act; (2) all members of the legislative body attending the meeting by teleconference participate only through both audio and visual technology; (3) the legislative body allows members of the public to access the meeting; and (4) the agenda provides an opportunity for members of the public to address the legislative body directly.

Additionally, in each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option, and an opportunity for members of the public to attend and address the legislative body at the in-person location of the meeting.

(STATUS: Introduced 02/17/22. Referred to Com. on L. GOV on 03/03/22.)

#### **AB 2647 (Levine) Amended in Assembly on 04/19/22**

The Brown Act requires the meetings of the legislative body of a local agency to be conducted openly and publicly, with specified exceptions. Current law makes agendas of public meetings and other writings distributed to the members of the governing board disclosable public records, with certain exceptions. Current law requires a local agency to make those writings distributed to the members of the governing board available **less than 72 hours before a meeting** for public inspection, **as specified**, at a public office or location that the agency designates. This bill would instead require a local agency to make those writings distributed to the members of the governing board available for public inspection at a public office or location that the agency designates ~~or post~~ **and list the address of the office or location on the agenda for all meetings of the legislative body of the agency unless the local agency meets certain requirements, including the local agency immediately posts** the writings on the local agency's internet website in a position and manner that makes it clear that the writing relates to an agenda item for an upcoming meeting.

(STATUS: Introduced 02/18/22. Referred to Coms. on L. GOV and JUD on 03/10/22. **From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV; read second time and amended on 04/19/22. Re-referred to Com. on L. GOV on 04/20/22. In committee: Hearing postponed on 04/25/22.**)

#### **SB 1100 (Cortese) Amended in Senate on 04/21/22**

The Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. Existing law requires every agenda for regular meetings of a local agency to provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body's consideration of the item, that is within the subject matter jurisdiction of the legislative body. Existing law authorizes the legislative body to adopt reasonable regulations to ensure that the intent of the provisions relating to this public comment requirement is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker. Existing law authorizes the members of the legislative body conducting the meeting to order the

meeting room cleared and continue in session, as prescribed, if a group or groups have willfully interrupted the orderly conduct of a meeting and order cannot be restored by the removal of individuals who are willfully interrupting the meeting.

This bill would authorize the presiding member of the legislative body conducting a meeting to remove an individual for **disrupting** the meeting. **The bill, except as provided, would require removal to be preceded by a warning by the presiding member of the legislative body that the individual is disrupting the proceedings, a request that the individual curtail their disruptive behavior or be subject to removal, and a reasonable opportunity to curtail their disruptive behavior.** The bill would define “disrupting” for this purpose.

(STATUS: Introduced 02/16/22. Referred to Coms. on GOV & F and JUD on 02/23/22. On 03/09/22: From committee with author’s amendments; read second time and amended; re-referred to Com. on GOV & F on 03/09/22. From committee: Do pass as amended and re-refer to Com. on JUD on 03/17/22. Read second time and amended; re-referred to Com. on JUD. on 03/21/22. **From committee with author's amendments; read second time and amended; re-referred to Com. on JUD on 04/07/22. From committee: Do pass as amended on 04/20/22. Read second time and amended; ordered to third reading on 04/21/22.**)

#### **Bills that Would Amend Other Laws Applicable to OCERS**

##### **AB 1993 (Wicks and Low) Revised on 04/18/22**

Existing law, the California Fair Employment and Housing Act (FEHA), establishes the Department of Fair Employment (department) and Housing within the Business, Consumer Services, and Housing Agency and sets forth its powers and duties relating to the enforcement of civil rights laws with respect to housing and employment. Existing federal law, the Federal Food, Drug, and Cosmetic Act, authorizes the United States Secretary of Health and Human Services to approve new drugs and products, including vaccines, for introduction into interstate commerce, and authorizes the secretary to authorize vaccines for use in an emergency upon declaring a public health emergency. On February 4, 2020, the secretary determined that there is a public health emergency and declared circumstances exist justifying the authorization of emergency use of drugs and biological products. The secretary subsequently authorized the emergency use of 3 vaccines for the prevention of COVID-19, and on August 23, 2021, the secretary approved a vaccine for the prevention of COVID-19.

The California Emergency Services Act authorizes the Governor to declare a state of emergency during conditions of disaster or extreme peril to persons or property, including epidemics. On March 4, 2020, the Governor declared a state of emergency relating to the COVID-19 pandemic. Pursuant to this authority, the Governor issued several executive orders requiring individuals in specified employment, health care, school, or other settings to provide proof of a COVID-19 vaccination status, unless specified exceptions are met.

This bill would require an employer to require each person who is an employee or independent contractor, and who is eligible to receive the COVID-19 vaccine, to show proof to the employer, or an authorized agent thereof, that the person has been vaccinated against COVID-19. This bill would establish an exception from this vaccination requirement for a person who is ineligible to receive a COVID-19 vaccine due to a medical condition or disability or because of a sincerely held religious belief, as specified, and would require compliance with various other state and federal laws. The bill would require proof-of-vaccination status to be obtained in a



manner that complies with federal and state privacy laws and not be retained by the employer, unless the person authorizes the employer to retain proof. This bill would require, on January 1, 2023, each employer to affirm, in a form and manner provided by the department, that each employee or independent contractor complied with these provisions, and would require the employer to affirm that each new employee or independent contractor is in compliance at the time of hiring or contracting with that person. The bill would require the department to impose a penalty of an unspecified amount on an employer for any violation of these provisions.

The bill would apply to both private and public employers, and defines “public employer” as (1) the state and every state entity, including, but not limited to, the Legislature, the judicial branch, the University of California, and the California State University; and (2) a political subdivision of the state, or agency or instrumentality of the state or subdivision of the state, including, but not limited to, a city, county, city and county, charter city, charter county, school district, community college district, powers authority, joint powers agency, and any public agency, authority, board, commission, or district.

This bill would repeal these provisions when the federal Centers for Disease Control and Prevention’s Advisory Committee on Immunization Practices determines that COVID-19 vaccinations are no longer necessary for the health and safety of individuals. This bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities. This bill would declare that its provisions are severable.

(STATUS: Introduced 02/10/22. Referred to Coms. on L & E and JUD on 03/17/22. In committee: Hearing canceled at the request of author on 03/29/22. **Coauthors revised on 04/18/22.**)

**SB 1328 (McGuire and Cortese) – DIVESTMENT BILL Amended in Senate on 04/19/22**

This bill would prohibit the boards of specified state and local public retirement systems from investing public employee retirement funds in a company with business operations in Russia or Belarus or a company that supplies military equipment to Russia or Belarus, as defined. The bill would require those boards to contract with a research firm or firms to determine those companies with business operations in those countries, and to conduct their own review of companies with business operations in those countries, as specified. The bill would require the boards to determine whether a company has business operations in Russia or Belarus or supplies military equipment to Russia or Belarus. The bill, except as specified, would require the board to notify companies determined to have business operations with those countries, and request the company to take substantial action, as defined and specified. If the company fails to complete substantial action, the bill would prohibit the board from making additional or new investments in that company, and would require the board to liquidate the investments of the board in that company, as specified. The bill would also require the board, on or before January 1, 2023, and every year thereafter, to file a specified report with the Legislature. The bill would repeal these provisions on specified triggering events. The bill specifies that it does not require the board to take action as described unless the board determines, in good faith, that the action is consistent with the fiduciary responsibilities of the board as described in Section 17 of Article XVI of the California Constitution. By requiring the boards of local public retirement systems to take specified actions, this bill would impose a state-mandated local program.



Existing law specifies the duties of the ~~State Controller, Treasurer~~, which include ~~superintending the fiscal concerns of the state and auditing all claims against the state.~~ **receiving and keeping in the vaults of the State Treasury or depositing in banks or credit unions all moneys belonging to the state, and, except as specified, receiving and keeping in the vaults of the State Treasury or depositing for safekeeping with any federal reserve bank or any branch thereof, or with any trust company or the trust department of any state or national bank located in a city designated as a reserve or central reserve city by the Board of Governors of the Federal Reserve System, bonds and other securities or investments belonging to the state.** This bill, except as specified, would prohibit the ~~Controller~~ **Treasurer** from making additional or new investments or renewing existing investments of state moneys in any investment vehicle in the government of Russia or the government of Belarus that meets certain conditions, or in or from a Russian or Belarusian financial institution currently under sanctions imposed by the United States, as defined and specified. The bill would repeal these provisions on specified triggering events.

Existing law specifies how money received into the treasury must be credited and how those state funds are to be used. Existing law prohibits state funds from being used to reimburse a state contractor for costs incurred to assist, promote, or deter union organizing, as defined and specified. Existing law also prohibits state trust moneys from being used to make additional or new investments or to renew existing investments in business firms that engage in discriminatory practices in further of or in compliance with the Arab League's economic boycott of Israel, as defined and specified. This bill, except as specified, would prohibit a state agency, as defined, from making additional or new investments or renewing existing investments of state moneys in any investment vehicle in the government of Russia or the government of Belarus that meets certain conditions, or in or from Russian or Belarusian financial institutions currently under sanctions imposed by the United States, and would require a state agency to liquidate those investments. The bill would also require a state agency to file a specified report with the Legislature and the Governor. The bill would urge companies operating in California and the Regents of the University of California to divest and separate themselves from the government of Russia, Russian financial institutions, Russian businesses, the government of Belarus, Belarusian financial institutions, and Belarusian businesses, and would request companies doing business in California to report their investments in and contracts with the government of Russia, Russian financial institutions, -Russian businesses, the government of Belarus, Belarusian financial institutions, and Belarusian businesses, as specified. The bill would repeal these provisions on specified triggering events.

Existing law authorizes state agencies to contract for goods, information technology, or services with certain suppliers, as specified. Existing law also makes companies in Sudan involved in certain activities ineligible to bid or submit a proposal for, and forbids them from bidding on or submitting a proposal for, a contract with a state agency for goods or services, as specified. This bill, except as specified, would make a company that conducts business with the government of Russia or the government of Belarus ineligible to bid or submit a proposal for, and would forbid that company from bidding on or submitting a proposal for, a contract with a state agency for goods or services, as defined and specified. The bill would require a state agency to require a company that submits a bid or proposal with respect to a contract for goods or services to certify that the company is not a scrutinized company, as prescribed. The bill would, among other things, make a company that submits a false certification under these provisions liable for a civil penalty, and would require the Department of General Services to report the company to the Attorney General, who would be required to determine whether to bring

a civil action against the company, as specified. The bill would repeal these provisions on specified triggering events.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

This bill would declare that it is to take effect immediately as an urgency statute.

(STATUS: Introduced 02/18/22. Read first time. Referred to Com. on RLS on 03/02/22. From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS on 03/03/22. From committee: Do pass as amended and re-refer to Com. on G.O on 03/22/22. Read second time; amended; and re-referred to Com. on G.O on 03/23/22. From committee: Do pass and re-refer to Com. on APPR on 03/29/22.

**From committee with author's amendments; read second time and amended; re-referred to Com. on APPR on 04/19/22. Placed on APPR suspense file on 05/02/22.)**

#### Other Bills of Interest

##### **AB 1795 (Fong)**

The Bagley-Keene Open Meeting Act requires state bodies to allow all persons to attend meetings and provide an opportunity for the public to address the state body regarding any item included in its agenda, except as specified. This bill would require state bodies, subject to existing exceptions, to provide all persons the ability to participate both in-person and remotely, as defined, in any meeting and to address the body remotely.

(STATUS: Introduced on 02/07/22. Referred to Com. on G.O on 02/18/22.)

##### **SB 931 (Leyva) Amended in Senate on 04/21/2022**

Current law prohibits a public employer from deterring or discouraging public employees or applicants to be public employees from becoming or remaining members of an employee organization, authorizing representation by an employee organization, or authorizing dues or fee deductions to an employee organization. Current law generally vests jurisdiction over violations of these provisions in the Public Employment Relations Board. This bill would authorize an employee organization, as described, to bring a claim before the Public Employment Relations Board alleging that a public employer violated the above-described provisions. Upon a finding by the board that the public employer violated those provisions, the public employer would be subject to a civil penalty of up to \$1,000 for each affected employee, not to exceed \$100,000 in total, and subject to attorney's fees and costs, described **and except as specified**. The bill would provide that the civil penalty is recoverable by the board and shall be used, upon appropriation, for further administration of specified provisions.

(STATUS: Introduced 02/07/22. Read first time; referred to Com. on RLS for assignment on 02/07/22. Referred to Coms. on L, P.E & R and JUD on 02/16/22. From committee: Do pass and re-referred to Com. on JUD on 03/22/22. **From committee: Do pass as amended and re-refer to Com. on APPR on 04/20/22. Read second time and amended; re-referred to Com. on APPR on 04/21/22. Placed on APPR suspense file on 05/02/22.)**

**Bills that Apply to CalPERS and/or CalSTRS Only****AB 386 (Cooper)**

The California Public Records Act requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. Current law excludes from disclosure certain records regarding alternative investments in which public investment funds invest. This bill would exempt from disclosure under the act specified records regarding an internally managed private loan made directly by CalPERS. Under the bill, these records would include quarterly and annual financial statements of the borrower or its constituent owners, unless the information has already been publicly released by the keeper of the information. The bill would prescribe specified exceptions to the new exemption from disclosure.

(STATUS: Passed out of Assembly and ordered to Senate on 06/01/21. Read first time in Senate on 06/02/21. Read second time, amended, and re-referred to Com. on JUD on 06/29/21. In committee: Set, first hearing; failed passage; and reconsideration granted on 07/13/21.)

**AB 551 (Rodriguez)**

Current law authorizes CalSTRS to administer an individual retirement plan described in Section 408A of Title 26 of the United States Code, commonly referred to as a Roth IRA, for the purpose of accepting a rollover from an annuity contract or custodial account offered by the system to the extent the rollover complies with specified federal law. Current law establishes the Teachers' Deferred Compensation Fund, which is continuously appropriated, to serve as the repository of funds received by the system for various deferred compensation plans, and specifies where in the fund certain premium and fee revenues received by the system are to be deposited. This bill would also authorize the system to administer an individual retirement plan as described in Section 408 of Title 26 of the United States Code. The bill would eliminate the requirement that the administration of these plans be for the purpose of accepting a rollover from an annuity contract or custodial account offered by the system, as described above. The bill would instead specify categories of people for whom the system could provide this service, including certain former eligible employees and their spouses.

(STATUS: Passed out of Assembly and ordered to Senate on 01/27/22. Read first time in Senate and ordered to Com. on RLS for assignment on 01/27/22.)

**AB 1667 (Cooper)**

The Teachers' Retirement Law establishes the State Teachers' Retirement System (STRS) and creates the Defined Benefit Program of the State Teachers' Retirement Plan, which provides a defined benefit to members of the program, based on final compensation, credited service, and age at retirement, subject to certain variations. Existing law also creates the Cash Balance Benefit Program, administered by the STRS board, to provide a retirement plan for the benefit of participating employees who provide creditable service for less than 50% of full time. Existing law authorizes the STRS board to audit, or cause to be audited, the records of any public agency as often as it deems necessary.

This bill would prescribe various requirements and duties in connection with audits of public agencies by the board. The bill would require the board to provide written notice of and the purpose and scope of an intended audit to the affected public agency and to the exclusive representative of the members affected by the audit. The bill would require the public agency to provide information requested by the board or its designee in a

timely manner and, at that time, to also provide the information to the exclusive representative of the members affected by the audit. The bill would authorize an audited public agency and the exclusive representative of affected members to provide the board or its designee information relevant to the audit and would require the board or its designee to consider this information in preparing its draft audit report. The bill would require the board or its designee to provide to the audited public agency and the exclusive representative of the affected members, a draft audit report and a list of every member reasonably known to be affected. The bill would authorize recipients to provide the board written responses to the draft audit report and would require the board to consider the responses in preparing its final audit report.

This bill would require the board to provide the final audit report to an audited public agency, to the exclusive representative or representatives of members affected by the audit, and to the affected members, with an explanation of their appeal rights. The bill would require the board to provide the audited public agency and the exclusive representative or representatives of the affected members a list of all members to whom the board has provided a copy of the final audit report. The bill would require the board, upon request by either the audited public agency or the exclusive representative, to provide the final audit report and explanation of appeal rights to any member not previously notified. The bill would authorize the public agency and the affected members to request administrative hearings if they disagree with the final audit and would prescribe a process for this purpose. Under the bill, the right of a member to an administrative hearing would be limited to the applicability of an audit finding on the member's benefits, and not the validity of the audit. The bill would require STRS to make all final employer audit reports available on its internet website, as specified.

This bill would require STRS to annually publish rules that interpret and clarify the applicability of creditable compensation and creditable service laws. The bill would prohibit new interpretations, including those that would modify prior interpretations, from taking effect until after notice is issued to employers and exclusive bargaining representatives and would prohibit retroactive application to compensation reported prior to that notice, unless that is expressly required by state or federal law, and would generally require application on July 1, following the notice. The bill would state that for audits and other actions, including actions and penalties relating to disallowed compensation reporting, employers are responsible for the rules in effect at time the compensation is reported, except when expressly superseded by state or federal law. If system rules and guidance are later determined by the system to result in disallowed compensation, the bill would require disallowed compensation reported in accordance with the written guidance to be deemed an error by the system, which would result in system responsibility for assessments or payments owed to a retired member.

The bill would authorize an employer or an exclusive representative of public school employees to submit to STRS items of compensation that are contained or proposed for inclusion in a collective bargaining agreement, as specified, for review by the system for consistency with law governing creditable compensation and with system regulations. The bill would prescribe a process in this regard, which would include requiring the system to provide a written guidance within 30 days of the receipt of all information required for a review. If guidance given by the system in response to a request for review is later determined by the system to result in disallowed compensation, the bill would require disallowed compensation reported in accordance with the written guidance to be deemed an error by the system, which would result in system responsibility for assessments or payments owed to a retired member.

Existing law requires an employer to deduct from the creditable compensation of members who are employed by the employer the member contributions required by the Teachers' Retirement Law and to remit them to the system plus required employer contributions. Existing law requires a county superintendent of schools, among others, that reports directly to the system to draw requisitions for required contributions, as specified, in favor of STRS, and the requisitions, when allowed and signed by the county auditor, are a warrant against the county treasury. Existing law requires the board to assess penalties if required contributions are not paid or if specified monthly reports are not made or are made in an improper form. Existing law creates the county school service fund and prescribes the expenses to which it may be applied. Existing law generally prohibits expending moneys in the fund for any purpose in excess of the latest proposed expenditures for a purpose as approved by the Superintendent of Public Instruction, as specified. Existing law generally requires a county auditor to approve warrants drawn on the service fund for expenses approved in the county school service fund budget. This bill would authorize the county superintendent of schools to draw requisitions against the county school service fund and the funds of the respective employing agencies for the purpose of making certain payments to STRS, as specified, in amounts equal to employing agency payments.

Existing law generally authorizes the board, in its discretion and upon any terms it deems just, to correct the errors or omissions of a member or beneficiary of the Defined Benefit Program, and of any participant or beneficiary of the Cash Balance Benefit Program, if specified facts exist. Under existing law, the failure by a member, participant or beneficiary to make an inquiry that would be made by a reasonable person in like or similar circumstances does not constitute an error or omission. Existing law requires that any overpayment made to, or on behalf of, any member, former member, or beneficiary be deducted from any subsequent benefit that may be payable, except as specified. This bill would revise the requirement to deduct, as described above, to apply it only to overpayments that are the result of intentional misrepresentation or fraud by the member.

Existing law prescribes a process for, and limitations on, payments into or out of the Teachers' Retirement Fund for adjustments of errors or omissions with respect to the Defined Benefit Program or the Defined Benefit Supplement Program. Existing law requires STRS, if an employer reports erroneous information, to calculate the actuarial present value of the expected payments from the member, the former member, or beneficiary, as specified, and requires the employer to pay the difference between the total amount of the overpayment and the calculation of the actuarial present value of expected payments. Existing law establishes limits on the amounts by which a monthly allowance payable under the Defined Benefit Program or benefit payable under the Defined Benefit Supplement Program or the Cash Balance Benefit Program may be reduced to recover an overpayment, if the collection of the overpayment is not the result of fraud or intentional misrepresentation of facts by the recipient of the allowance or benefit. This bill would repeal the above-described requirement that applies if an employer reports erroneous information and the above-described limitations on the reductions of allowances and benefits to recover an overpayment. The bill would prescribe various requirements to apply in instances in which STRS determines that the compensation reported for a member by an employer is disallowed compensation. The bill would define "disallowed compensation" to mean compensation reported by an employer that the system subsequently determines is not properly creditable pursuant to applicable law. The bill would require upon a determination of disallowed compensation that the employer discontinue reporting the compensation as being creditable to the member's designated account. The bill would require, in the case of

an active member, that all employer and member contributions be credited to the member's appropriate account, where applicable, and would require that employer contributions on disallowed compensation be credited against future contributions to the benefit of the employer and member contributions be returned to the member by the employer.

The bill would prescribe notice and repayment requirements that would apply to a retired member, survivor, or beneficiary if the final compensation applicable to their pensions was predicated upon disallowed compensation and if specified conditions are met. The bill would require, in this context, if the conditions are met, that the employer that reported contributions on the disallowed compensation pay STRS the full cost of any overpayment of a prior paid benefit resulting from the disallowed compensation, and to pay STRS a penalty, to be calculated according to a specified formulation. The bill would require that 90% of this penalty be paid to the affected retired member, survivor, or beneficiary who was impacted by disallowed compensation and that 10% be paid to STRS, as specified. The bill would require STRS to provide certain notices in this regard to the employer that reported contributions on the disallowed compensation, to a county superintendent of schools, as specified, and to the affected retired member, survivor, or beneficiary. The bill would require, if the employer that reported contributions on disallowed compensation did so in reliance on the written guidance of STRS, that the disallowed compensation be deemed an error by the system, and the system would be financially responsible for any assessments or payments owed. The bill would require, if compensation is determined to be disallowed compensation due to an act by a county superintendent of schools that reports directly to the system on behalf of an employer, that the county superintendent be financially responsible for any assessments or payments owed, except as specified.

(STATUS: Introduced 01/19/2022. On 03/24/22: referred to Com. on P.E & R; from committee chair, with author's amendments: amend, and re-refer to Com. on P.E & R; read second time and amended. Re-referred to Com. on P.E & R. on 03/28/22. **From committee: Do pass and re-referred to Com. on APPR on 04/20/22.**)

#### **AB 1722 (Cooper)**

The PERL, until January 1, 2023, provides a state safety member of CalPERS who retires for industrial disability a retirement benefit equal to the greatest amount resulting from 3 possible calculations. In this regard, the benefit amount is based on an actuarially reduced service retirement, a service retirement allowance, if the member is qualified, or 50% of the member's final compensation, plus an annuity purchased with their accumulated contributions, if any. This bill would delete the termination of these provisions on January 1, 2023, thereby making them operative in perpetuity. By providing that a continuously appropriated fund may be spent for a new purpose, this bill would make an appropriation.

(STATUS: Introduced 01/27/22. Referred to Com. on P.E & R on 02/03/22. On 03/16/22: From committee: do pass and re-refer to Com. on APPR; re-referred to Com. on APPR. **In committee: Set, first hearing; referred to suspense file on 04/06/22.**)

#### **AB 1877 (Fong)**

Current law limits the postretirement compensation of a member of the CalSTRS Defined Benefit Program to an amount calculated by CalSTRS, as specified. If the member's postretirement compensation exceeds this amount, the law requires the member's retirement allowance to be reduced by the amount of excess compensation. Current law, however, permits members retired for service from CalSTRS to perform member activities without

being subject to the compensation limit under certain limited conditions and circumstances. This bill would exempt from the postretirement compensation limit the compensation of a member retired for service who was a classroom teacher who has returned to work to fulfill a critical need in a position due to a teacher shortage in the area of special education. The bill would require a local school district, county office of education, or other local educational agency exercising this exemption to submit specified documentation, certified under penalty of perjury, to substantiate a retired member's eligibility.

(STATUS: Introduced 02/08/22. Referred to Com. on P.E & R on 02/18/22. **In committee: Set, first hearing; hearing canceled at the request of author on 04/20/22.**)

#### **AB 2443 (Cooley)**

*(This bill has been amended and is now a bill proposing federal limitations on retirement benefits.)*

Current law establishes the Legislators' Retirement System, Public Employees' Retirement System, the Judges' Retirement System, and Judges' Retirement System II, all of which provide retirement and other benefits to their respective members and are administered by CalPERS. Existing federal law prescribes limits on the amount of retirement benefits that a member may receive if a retirement system is to maintain its tax-qualified status and may require that benefits from different retirement plans maintained by the same employer be aggregated. This bill, for purposes of the above-described retirement systems, would prescribe the method by which benefits are to be reduced when federal law requires aggregation of benefits from different plans maintained by the same employer and federal limits on benefits are reached.

(STATUS: Introduced 02/17/22. On 03/17/22: referred to Com. on P.E & R; from committee chair, with author's amendments: amend, and re-refer to Com. on P.E & R; read second time and amended. Re-referred to Com. on P.E & R on 03/21/22. From committee: Do pass and re-referred to Com. on APPR on 03/30/22. **From committee: Do pass; to Consent Calendar on 04/27/22. Read second time; ordered to Consent Calendar on 04/28/22.**)

#### **SB 457 (Portatino & Wilk)**

This bill would require the boards of CalPERS and CalSTRS to provide employers that are school districts and cities that participate in the systems an option to elect an investment portfolio that does not contain investment vehicles that are issued or owned by the government of the Republic of Turkey.

(STATUS: Passed out of the Senate; ordered to Assembly on 05/24/21. Referred to Com. on P.E & R on 5/28/21.)

#### **SB 868 (Cortese) Amended in Senate on 04/18/22**

Current law creates the Teachers' Retirement Fund and establishes within that fund a segregated account named the Supplemental Benefit Maintenance Account. Current law continuously appropriates funds in the Supplemental Benefit Maintenance Account for expenditure for the purpose of restoring the purchasing power of the allowances of retired members and nonmember spouses, disabled members, and beneficiaries, and prescribes various schedules pursuant to which these allowances are augmented. This bill would prescribe additional benefits to be paid quarterly from the Supplemental Benefit Maintenance Account, beginning July 1, 2023, to retired members and nonmember spouses, disabled members, and beneficiaries, to be made pursuant to a specified schedule. By providing for additional payments to be made from a continuously appropriated fund, this bill would make an appropriation. The bill would require the amount of these increases to be determined on July 1, 2023, as specified, and would require that amount to be increased each year commencing on July 1, 2024, but not compounded. The bill would specify that these increases are not part of the base



allowance, are payable only to the extent that funds are available from the Supplemental Benefit Maintenance Account, and would state the extent to which these payments would be vested.

(STATUS: Introduced 01/24/22. Referred to Com. on L, P.E & R on 02/02/22. On 03/24/22: from committee with author's amendments; read second time and amended; re-referred to Com. on L, P.E & R. On 04/05/22: from committee: do pass and re-refer to Com. on APPR. **Co-authors amended on 04/18/22.**)

#### **SB 1168 (Cortese) Amended in Senate on 04/20/22**

The PERL provides that upon the death of a member after retirement and while receiving a retirement allowance from CalPERS. **Existing law, applicable to agencies that contract with PERS to provide benefits to their employees, requires a payment of \$500 to be made to a beneficiary upon the death of a member after retirement and while receiving a retirement allowance from PERS, the sum of \$500 shall be paid to the person's beneficiary, to be provided from contributions by the state or contracting agency, as the case may be, unless otherwise provided. This bill would require the CalPERS board to determine the average benefit paid under various CalPERS provisions upon the death of a member, as provided, and would require the board, beginning on July 1, 2023, to increase the \$500 beneficiary payment described above annually in a specified amount until the beneficiary payment reaches the average benefit paid, as calculated by the board. This bill, for a death occurring on or after July 1, 2023, would increase the amount of the above-described benefit to \$2,000.**

(STATUS: Introduced 02/17/22. Referred to Com. on L, P.E & R on 03/02/22. **From committee: Do pass as amended and re-refer to Com. on APPR with recommendation: To consent calendar on 4/19/22. Read second time and amended; re-referred to Com. on APPR on 04/20/22. From committee: Ordered to second reading and ordered to consent calendar on 05/02/22.**)

#### **SB 1173 (Gonzalez) Amended in Senate on 04/21/22**

This bill would prohibit the boards of CalPERS and CalSTRS from making new investments or renewing existing investments of public employee retirement funds in a fossil fuel company, as defined. The bill would require the boards to liquidate investments in a fossil fuel company on or before July 1, ~~2027~~ **2030**. The bill would temporarily suspend the above-described liquidation provision upon a good faith determination by the board that certain conditions materially impact normal market mechanisms for pricing assets, as specified, and would make this suspension provision inoperative on January 1, 2035. The bill would provide that it does not require a board to take any action unless the board determines in good faith that the action is consistent with the board's fiduciary responsibilities established in the California Constitution. This bill would require the boards, commencing February 1, 2024, and annually thereafter, to file a report with the Legislature and the Governor, containing specified information, including a list of fossil fuel companies of which the board has liquidated their investments. The bill would provide that board members and other officers and employees shall be held harmless and be eligible for indemnification in connection with actions taken pursuant to the bill's requirements, as specified.

(STATUS: Introduced 02/17/22. Referred to Coms. on L, P.E & R and JUD on 03/02/22. On 04/05/22: from committee: do pass as amended and re-refer to Com. on JUD. **Read second time and amended; re-referred to Com. on JUD on 04/06/22. From committee: Do pass as amended and re-refer to Com. on APPR on 04/20/22. Read second time and amended; re-referred to Com. on APPR on 04/21/22. Placed on APPR suspense file on 05/02/22.**)



**SB 1343 (Leyva) Amended in Senate on 04/26/22**

The Charter Schools Act of 1992 authorizes the establishment and operation of charter schools. Existing law authorizes charter schools to elect to make CalSTRS, CalPERS, or both available to qualifying employees. This bill would require charter schools authorized on and after January 1, 2023, to participate in CalSTRS, CalPERS, or both. ~~The bill would specify that this provision does not apply to an employee of a charter school if, prior to January 1, 2023, the employee was not already a member of STRS or PERS, unless the employee requests to become a member of STRS or PERS when the charter school is reauthorized on and after January 1, 2023.~~ **charter schools seeking a renewal authorization on or after January 1, 2023.** The bill would generally require CalSTRS, the Cash Balance Benefit Program, and CalPERS to apply to charter schools in the same manner as the systems and program apply to other public schools. **The bill would require the chartering authority to provide notice to STRS or PERS, as applicable, of the occurrence of specified events, including approval of a charter school petition, within 30 days of the event's occurrence, on a form prescribed by the system.** For the purpose of paying contributions on behalf of a charter school, the bill would require a county superintendent, district superintendent, or other employing agency that reports directly to CalSTRS, upon state apportionment to a charter school, to draw requisitions against the funds of the charter school in amounts equal to the estimated contributions required to be paid by the charter school to CalSTRS, as specified, and pay them to the system. The bill would prohibit these requisitions from exceeding an estimated 3 months of contributions to be paid by the charter school. **The bill would also require a county superintendent, district superintendent, or other employing agency that reports directly to the retirement system to use any unencumbered funds, otherwise legally available for this purpose, to pay for any amounts due to the system that remain unpaid.** The bill would require the estimated amount to be determined by the county superintendent, district superintendent, or other employing agency. The bill would create similar requirements and prohibitions for purposes of requisitions related to the Cash Balance Benefit Program and CalPERS. By depositing additional moneys in continuously appropriated funds, this bill would make ~~appropriations~~ **an appropriation.**

Existing law requires a county superintendent, district superintendent, chancellor of a community college district, or other employing agency that reports directly to CalSTRS to draw requisitions for contributions required pursuant to specified provisions in favor of the system. Existing law requires employers participating in CalSTRS to contribute monthly a specified percentage of the creditable contribution upon which member contributions are based in connection with funding the liability for benefits related to accumulated and unused sick leave. This bill would require that the monthly contributions for benefits related to accumulated and unused sick leave be subject to the above-described requisition process.

(STATUS: Introduced 02/18/22. Referred to Coms. on L., P.E & R and ED on 03/2/22. On 03/22/22: From committee with author's amendments; read second time and amended; re-referred to Com. on L, P.E & R. On 04/05/22: From committee: do pass and re-refer to Com. on ED. **Do pass as amended and re-refer to Com. on APPR on 04/25/22. Read second time and amended; re-referred to Com. on APPR on 04/26/22.**)

**SB 1402 (Umberg) Amended in Senate on 04/07/22**

Current law authorizes a member of CalSTRS to receive creditable service for certain types of service outside the system, including military service, and distinguishes in this regard between service performed before membership and after becoming a member. Current law authorizes ~~receipt of a member who is a state employee, or a retired member who retired immediately following service as a state employee, as specified,~~

**to receive** credit for specified military or Merchant Marine service occurring prior to membership and prescribes requirements and limits in this connection. Current law requires, in this context, that the member contribute sufficient funds to cover the total cost of military service credit, as specified. Current law limits the application of this authorization to receive premembership service credit to specified service in the Armed Forces of the United States or in the Merchant Marine of the United States prior to January 1, 1950. This bill would delete the ~~requirement that the service subject to the authorization described above~~ **the limitation that the service have occurred prior to January 1, 1950, from these provisions, unless certain exceptions apply, and would delete the requirement that the electing member is a state employee or a retired member who retired immediately following service as a state employee.**

Existing law authorizes specified members of PERS, including state members, to receive public service credit for certain types of service outside the system, including military service, and distinguishes in this regard between service performed before membership and after becoming a member. Existing law authorizes receipt of public service credit for specified military or Merchant Marine service occurring prior to membership and prescribes requirements and limits in this connection. Existing law requires, in this context, that the member contribute funds to cover the total cost of this public service credit, as specified. Existing law limits the application of this authorization to receive this public service credit to specified service in the Armed Forces of the United States or in the Merchant Marine of the United States prior to January 1, 1950. **Existing law provides that this authorization only applies to agencies contracting with PERS if the agency elects to amend its contract.** This bill would delete the requirement that the service subject to the authorization described above have occurred prior to January 1, 1950, **and would require contracting agencies to provide members the option to receive the public service credit for specified service in the Armed Forces of the United States or in the Merchant Marine of the United States.**

(STATUS: Introduced 02/18/22. Referred to Com. on L, P.E & R on 03/09/22. **From committee with author's amendments; read second time and amended; re-referred to Com. on L., P.E & R on 04/07/22. From committee: Do pass and re-refer to Com. on APPR with recommendation: To consent calendar on 04/19/22. From committee: Ordered to second reading and ordered to consent calendar on 05/02/22.**)

#### **SB 1420 (Dahle)**

This bill would require that an agency participating in CalPERS that increases the compensation of a member who was previously employed by a different agency to bear all actuarial liability for the action, if it results in an increased actuarial liability beyond what would have been reasonably expected for the member. The bill would require, in this context, that the increased actuarial liability be in addition to reasonable compensation growth that is anticipated for a member who works for an employer or multiple employers over an extended time. The bill would require, if multiple employers cause increased liability, that the liability be apportioned equitably among them. The bill would apply to an increase in actuarial liability, as specified, due to increased compensation paid to an employee on and after January 1, 2023.

(STATUS: Introduced 02/18/22. Referred to Com. on L, P.E & R on 03/09/22. **Heard in committee on 04/27/22; failed passage; reconsideration granted.**)

Attachments:

Legislative Update  
2022 Legislative Calendar

**Submitted by:**



Gina M. Ratto  
General Counsel



**OCERS BOARD OF RETIREMENT  
May 16, 2022 MEETING**

**LEGISLATIVE UPDATE – ATTACHMENT  
2021 - 2022 CALIFORNIA STATE LEGISLATIVE SESSION  
BILLS OF INTEREST**

***New or updated information in bold text***

**AB 386 (Cooper)**

The California Public Records Act requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. Current law excludes from disclosure certain records regarding alternative investments in which public investment funds invest. This bill would exempt from disclosure under the act specified records regarding an internally managed private loan made directly by CalPERS. Under the bill, these records would include quarterly and annual financial statements of the borrower or its constituent owners, unless the information has already been publicly released by the keeper of the information. The bill would prescribe specified exceptions to the new exemption from disclosure.

(STATUS: Read first time in Senate on 06/02/21. Read second time, amended, and re-referred to Com. on JUD on 06/29/21. In committee: Set, first hearing; failed passage; and reconsideration granted on 07/13/21.)

**AB 498 (Quirk-Silva)**

CERL defines compensation earnable for purposes of its provisions, with particular application to the calculation of final compensation and the determination of pension amounts and other benefits. In this regard, “compensation earnable” by a member means the average compensation as determined by the retirement board, for the period considered based on the average number of days ordinarily worked by persons in the same grade or class of positions during the period, as specified. PEPR prescribes various limitations on public employees, employers, and retirement systems concerning, among other things, the types of remuneration that may be included in compensation that is applied to pensions.

This bill would delete the term “grade” and replace it with the term “group” for purposes of the definition of compensation earnable, as described above. The bill would define the phrase “group or class of positions” for purposes of this definition to mean a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical work-related grouping, and would specify that a single employee is not a group or class. The bill would state that its changes are declaratory of existing law and would make a declaration of legislative intent in regards to its application.

(STATUS: AB 498 was originally introduced as a Computer Science Access Initiative. Passed out of the Assembly and ordered to the Senate on 05/27/21. In the Senate on 09/10/21, the bill was gutted and replaced with language to amend the CERL. It was referred to Com. on RLS on 09/10/21.)

**AB 551 (Rodriguez)**

Current law authorizes CalSTRS to administer an individual retirement plan described in Section 408A of Title 26 of the United States Code, commonly referred to as a Roth IRA, for the purpose of accepting a rollover from an annuity contract or custodial account offered by the system to the extent the rollover complies with specified federal law. Current law establishes the Teachers' Deferred Compensation Fund, which is continuously appropriated, to serve as the repository of funds received by the system for various deferred compensation plans, and specifies where in the fund certain premium and fee revenues received by the system are to be deposited. This bill would also authorize the system to administer an individual retirement plan as described in Section 408 of Title 26 of the United States Code. The bill would eliminate the requirement that the administration of these plans be for the purpose of accepting a rollover from an annuity contract or custodial account offered by the system, as described above. The bill would instead specify categories of people for whom the system could provide this service, including certain former eligible employees and their spouses.

(STATUS: Passed out of the Assembly and ordered to the Senate on 01/27/22. Read first time in Senate and ordered to Com. on RLS. for assignment on 01/27/22.)

**AB 826 (Irwin)**

This bill, which would apply only in Ventura County, would provide that compensation and compensation earnable include flexible benefits plan allowances paid by a county or a district on behalf of its employees as part of a cafeteria plan, as specified, if certain requirements are met. Among these conditions, the bill would require that the retirement system included the flexible benefit plan allowance as part of compensation earnable as of July 30, 2020, that the employer and employee paid contributions to the retirement system based on the flexible benefit plan allowance, and that an employer and an employee continues to pay those contributions as employee earns this allowance. The bill would apply these provisions to eligible members who retired prior to the effective date of the measure and would state that these provisions are declarative of existing law.

The bill would add section 31461.7 to the Government Code, to read:

(a) This section applies only to a county of the thirteenth class, as defined by Section 28020, as amended by Chapter 1204 of the Statutes of 1971, and Section 28034, as amended by Chapter 1204 of the Statutes of 1971.

(b) (1) Compensation, as defined in Section 31460, and compensation earnable, as defined in Section 31461, include flexible benefits plan allowances paid by a county or a district on behalf of its employees as part of a cafeteria plan offered pursuant to Section 125 of the Internal Revenue Code if all of the following requirements are met:

(A) The flexible benefit plan allowance is made available to any person in the same grade or class of positions. For purposes of this subdivision, "grade or class of positions" means a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical, work-related grouping. A single employee shall not be considered a grade or class of positions.

(B) The flexible benefit plan allowance is not expressly excluded from "compensation earnable" pursuant to paragraphs (2) to (4), inclusive, of subdivision (b) of Section 31461.

(C) The retirement system included the flexible benefit plan allowance as part of compensation earnable as of July 30, 2020, and the employer and employee paid contributions to the retirement system based on the flexible benefit plan allowance as of that date.

(D) The employer and employee pay the required contributions to the retirement system as the employee continues to earn the flexible benefit plan allowance.

(2) For employee groups in which the monetary amount of the flexible benefits plan allowance is the same for all employees, regardless of the number of dependents, the entire amount shall be included in compensation earnable. For employee groups in which the monetary amount of the flexible benefits plan allowance varies among employees depending on the number of dependents, the amount included in compensation earnable shall be the amount provided to an employee with no dependents.

(c) This section shall only apply to employees who are not new members, as defined in Section 7522.04.

(d) Paragraphs (1) and (2) of subdivision (b) shall apply to any eligible member who has retired prior to the effective date of this section, as permitted by subdivision (a) of Section 31481.

(e) This section is declarative of existing law.

(STATUS: Introduced 02/16/21 as bill to amend the Public Resources Code. Bill was gutted and replaced with language that would amend the CERL on 06/21/21. In Senate, read third time, amended to apply only in Ventura County and ordered to second reading on 08/31/21. Read second time and ordered to third reading on 09/01/21. Ordered to inactive file at the request of Senator Limón on 09/08/21.)

### **AB 1667 (Cooper)**

The Teachers' Retirement Law establishes the State Teachers' Retirement System (STRS) and creates the Defined Benefit Program of the State Teachers' Retirement Plan, which provides a defined benefit to members of the program, based on final compensation, credited service, and age at retirement, subject to certain variations. Existing law also creates the Cash Balance Benefit Program, administered by the STRS board, to provide a retirement plan for the benefit of participating employees who provide creditable service for less than 50% of full time. Existing law authorizes the STRS board to audit, or cause to be audited, the records of any public agency as often as it deems necessary.

This bill would prescribe various requirements and duties in connection with audits of public agencies by the board. The bill would require the board to provide written notice of and the purpose and scope of an intended audit to the affected public agency and to the exclusive representative of the members affected by the audit. The bill would require the public agency to provide information requested by the board or its designee in a timely manner and, at that time, to also provide the information to the exclusive representative of the members affected by the audit. The bill would authorize an audited public agency and the exclusive representative of affected members to provide the board or its designee information relevant to the audit and would require the board or its designee to consider this information in preparing its draft audit report.

The bill would require the board or its designee to provide to the audited public agency and the exclusive representative of the affected members, a draft audit report and a list of every member reasonably known to be

affected. The bill would authorize recipients to provide the board written responses to the draft audit report and would require the board to consider the responses in preparing its final audit report.

This bill would require the board to provide the final audit report to an audited public agency, to the exclusive representative or representatives of members affected by the audit, and to the affected members, with an explanation of their appeal rights. The bill would require the board to provide the audited public agency and the exclusive representative or representatives of the affected members a list of all members to whom the board has provided a copy of the final audit report. The bill would require the board, upon request by either the audited public agency or the exclusive representative, to provide the final audit report and explanation of appeal rights to any member not previously notified. The bill would authorize the public agency and the affected members to request administrative hearings if they disagree with the final audit and would prescribe a process for this purpose. Under the bill, the right of a member to an administrative hearing would be limited to the applicability of an audit finding on the member's benefits, and not the validity of the audit. The bill would require STRS to make all final employer audit reports available on its internet website, as specified.

This bill would require STRS to annually publish rules that interpret and clarify the applicability of creditable compensation and creditable service laws. The bill would prohibit new interpretations, including those that would modify prior interpretations, from taking effect until after notice is issued to employers and exclusive bargaining representatives and would prohibit retroactive application to compensation reported prior to that notice, unless that is expressly required by state or federal law, and would generally require application on July 1, following the notice. The bill would state that for audits and other actions, including actions and penalties relating to disallowed compensation reporting, employers are responsible for the rules in effect at time the compensation is reported, except when expressly superseded by state or federal law. If system rules and guidance are later determined by the system to result in disallowed compensation, the bill would require disallowed compensation reported in accordance with the written guidance to be deemed an error by the system, which would result in system responsibility for assessments or payments owed to a retired member.

The bill would authorize an employer or an exclusive representative of public school employees to submit to STRS items of compensation that are contained or proposed for inclusion in a collective bargaining agreement, as specified, for review by the system for consistency with law governing creditable compensation and with system regulations. The bill would prescribe a process in this regard, which would include requiring the system to provide a written guidance within 30 days of the receipt of all information required for a review. If guidance given by the system in response to a request for review is later determined by the system to result in disallowed compensation, the bill would require disallowed compensation reported in accordance with the written guidance to be deemed an error by the system, which would result in system responsibility for assessments or payments owed to a retired member.

Existing law requires an employer to deduct from the creditable compensation of members who are employed by the employer the member contributions required by the Teachers' Retirement Law and to remit them to the system plus required employer contributions. Existing law requires a county superintendent of schools, among

others, that reports directly to the system to draw requisitions for required contributions, as specified, in favor of STRS, and the requisitions, when allowed and signed by the county auditor, are a warrant against the county treasury. Existing law requires the board to assess penalties if required contributions are not paid or if specified monthly reports are not made or are made in an improper form. Existing law creates the county school service fund and prescribes the expenses to which it may be applied. Existing law generally prohibits expending moneys in the fund for any purpose in excess of the latest proposed expenditures for a purpose as approved by the Superintendent of Public Instruction, as specified. Existing law generally requires a county auditor to approve warrants drawn on the service fund for expenses approved in the county school service fund budget. This bill would authorize the county superintendent of schools to draw requisitions against the county school service fund and the funds of the respective employing agencies for the purpose of making certain payments to STRS, as specified, in amounts equal to employing agency payments.

Existing law generally authorizes the board, in its discretion and upon any terms it deems just, to correct the errors or omissions of a member or beneficiary of the Defined Benefit Program, and of any participant or beneficiary of the Cash Balance Benefit Program, if specified facts exist. Under existing law, the failure by a member, participant or beneficiary to make an inquiry that would be made by a reasonable person in like or similar circumstances does not constitute an error or omission. Existing law requires that any overpayment made to, or on behalf of, any member, former member, or beneficiary be deducted from any subsequent benefit that may be payable, except as specified. This bill would revise the requirement to deduct, as described above, to apply it only to overpayments that are the result of intentional misrepresentation or fraud by the member.

Existing law prescribes a process for, and limitations on, payments into or out of the Teachers' Retirement Fund for adjustments of errors or omissions with respect to the Defined Benefit Program or the Defined Benefit Supplement Program. Existing law requires STRS, if an employer reports erroneous information, to calculate the actuarial present value of the expected payments from the member, the former member, or beneficiary, as specified, and requires the employer to pay the difference between the total amount of the overpayment and the calculation of the actuarial present value of expected payments. Existing law establishes limits on the amounts by which a monthly allowance payable under the Defined Benefit Program or benefit payable under the Defined Benefit Supplement Program or the Cash Balance Benefit Program may be reduced to recover an overpayment, if the collection of the overpayment is not the result of fraud or intentional misrepresentation of facts by the recipient of the allowance or benefit. This bill would repeal the above-described requirement that applies if an employer reports erroneous information and the above-described limitations on the reductions of allowances and benefits to recover an overpayment. The bill would prescribe various requirements to apply in instances in which STRS determines that the compensation reported for a member by an employer is disallowed compensation. The bill would define "disallowed compensation" to mean compensation reported by an employer that the system subsequently determines is not properly creditable pursuant to applicable law. The bill would require upon a determination of disallowed compensation that the employer discontinue reporting the compensation as being creditable to the member's designated account. The bill would require, in the case of an active member, that all employer and member contributions be credited to the member's appropriate



account, where applicable, and would require that employer contributions on disallowed compensation be credited against future contributions to the benefit of the employer and member contributions be returned to the member by the employer.

The bill would prescribe notice and repayment requirements that would apply to a retired member, survivor, or beneficiary if the final compensation applicable to their pensions was predicated upon disallowed compensation and if specified conditions are met. The bill would require, in this context, if the conditions are met, that the employer that reported contributions on the disallowed compensation pay STRS the full cost of any overpayment of a prior paid benefit resulting from the disallowed compensation, and to pay STRS a penalty, to be calculated according to a specified formulation. The bill would require that 90% of this penalty be paid to the affected retired member, survivor, or beneficiary who was impacted by disallowed compensation and that 10% be paid to STRS, as specified. The bill would require STRS to provide certain notices in this regard to the employer that reported contributions on the disallowed compensation, to a county superintendent of schools, as specified, and to the affected retired member, survivor, or beneficiary. The bill would require, if the employer that reported contributions on disallowed compensation did so in reliance on the written guidance of STRS, that the disallowed compensation be deemed an error by the system, and the system would be financially responsible for any assessments or payments owed. The bill would require, if compensation is determined to be disallowed compensation due to an act by a county superintendent of schools that reports directly to the system on behalf of an employer, that the county superintendent be financially responsible for any assessments or payments owed, except as specified.

(STATUS: Introduced 01/19/2022. On 03/24/22: referred to Com. on P.E & R; from committee chair, with author's amendments: amend, and re-refer to Com. on P.E & R; read second time and amended. Re-referred to Com. on P.E & R. on 03/28/22. **From committee: Do pass and re-referred to Com. on APPR on 04/20/22.**)

#### **AB 1722 (Cooper)**

The PERL, until January 1, 2023, provides a state safety member of CalPERS who retires for industrial disability a retirement benefit equal to the greatest amount resulting from 3 possible calculations. In this regard, the benefit amount is based on an actuarially reduced service retirement, a service retirement allowance, if the member is qualified, or 50% of the member's final compensation, plus an annuity purchased with their accumulated contributions, if any. This bill would delete the termination of these provisions on January 1, 2023, thereby making them operative in perpetuity. By providing that a continuously appropriated fund may be spent for a new purpose, this bill would make an appropriation.

(STATUS: Introduced 01/27/22. Referred to Com. on P.E & R on 02/03/22. On 03/16/22: From committee: do pass and re-referred to Com. on APPR. **In committee: Set, first hearing; referred to suspense file on 04/06/22.**)

#### **AB 1795 (Fong)**

The Bagley-Keene Open Meeting Act requires state bodies to allow all persons to attend meetings and provide an opportunity for the public to address the state body regarding any item included in its agenda, except as specified. This bill would require state bodies, subject to existing exceptions, to provide all persons the ability to

participate both in-person and remotely, as defined, in any meeting and to address the body remotely.  
(STATUS: Introduced on 02/07/22. Referred to Com. on G.O on 02/18/22.)

**AB 1824 (Cooper, Voepel, Calderon, Cooley, O'Donnell, and Seyarto) – SACRS Sponsored Bill**

This bill represents the annual omnibus bill to propose technical “housekeeping” amendments to Education Code provisions applicable to CalSTRS, the PERL and the CERL.

With respect to the CERL, the bill would make the following changes:

1. The CERL requires, upon the death of a member, the payment of a retirement allowance earned but not yet paid to a member to be paid to the member’s designated beneficiary. The CERL requires, upon the death of a person receiving a survivor’s allowance, the payment of any allowance earned but not yet paid to the survivor to be paid to the survivor’s designated beneficiary. This bill would amend Government Code section 31452.7 to include a corporation, a trust, or an estate in the definition of “beneficiary” for purposes of these provisions.
2. The CERL restricts the types of employment for which members may receive credit for service and restricts credit for other employment in public service based upon whether the member is entitled to receive a pension or retirement allowance from another public agency. If a member elects to contribute to obtain credit for other employment in another public agency, the CERL requires certification, as specified, of the fact that pension or retirement allowance will not accrue to the member by virtue of the member’s employment. This bill would amend Government Code section 31641.4 to specify that the provisions described above do not prohibit a member from receiving credit for a period of federal public service if federal law expressly permits the credit even though the member is already entitled to receive a pension or retirement allowance from that service.
3. The CERL prescribes a process for purposes of establishing a date of retirement with reference to safety members. Further, the CERL authorizes a safety member to be retired upon the occurrence of certain events and the filing, with the retirement board, of a written application setting forth the date upon which the member desires their retirement to become effective. The CERL prohibits this date from being more than 60 days after the date of filing the application. This bill would amend Government Code sections 31663.25 and 31663.26 to revise the restrictions on the above-described effective retirement date to prohibit the retirement date from being earlier than the date the application is filed with the board or more than 60 days after the date of filing the application or more than a number of days that has been approved by the board.
4. The CERL authorizes the payment of a death benefit upon the death of a member while in service. It further prescribes the components of the death benefit, which are a member’s accumulated contributions and an amount, provided from contributions by a county or district, calculated pursuant to a specified method, not to exceed 50% of annual compensation earnable or pensionable compensation of the deceased. This bill would amend Government Code sections 31761, 31762, 31763, 31764 and 31781 to require, in connection with the calculation of the death benefit, that the computation for any absence be based on the compensation of the position held by the member at the beginning of the absence.

5. The bill would also make non-substantive style and technical changes to the CERL. (Government Code sections 31726 and 31726.5.)

(STATUS: Introduced 02/07/22. Read second time and amended on 02/28/22. Read second time and amended on 03/07/22. Read second time; and ordered to Consent Calendar on 03/31/22. **Read third time; passed; ordered to Senate. In Senate: Read first time; referred to Com. on RLS for assignment on 04/07/22.**)

#### **AB 1877 (Fong)**

Current law limits the postretirement compensation of a member of the CalSTRS Defined Benefit Program to an amount calculated by CalSTRS, as specified. If the member's postretirement compensation exceeds this amount, the law requires the member's retirement allowance to be reduced by the amount of excess compensation. Current law, however, permits members retired for service from CalSTRS to perform member activities without being subject to the compensation limit under certain limited conditions and circumstances. This bill would exempt from the postretirement compensation limit the compensation of a member retired for service who was a classroom teacher who has returned to work to fulfill a critical need in a position due to a teacher shortage in the area of special education. The bill would require a local school district, county office of education, or other local educational agency exercising this exemption to submit specified documentation, certified under penalty of perjury, to substantiate a retired member's eligibility.

(STATUS: Introduced 02/08/22. Referred to Com. on P.E & R on 02/18/22. **In committee: Set, first hearing; hearing canceled at the request of author on 04/20/22.**)

#### **AB 1944 (Lee) Amended in Assembly on 4/18/22**

The Ralph M. Brown Act (the Brown Act), requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding the timelines for posting an agenda and providing for the ability of the public to observe and provide comment. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.

The Brown Act was previously amended in response to the COVID pandemic to allow, until January 1, 2024, local agencies to use teleconferencing without complying with the aforementioned teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health. ~~This bill would further amend the Brown Act (without a sunset provision) to specify that when the legislative body has elected to allow members to participate via teleconferencing, and a member of a legislative body elects to teleconference from a location that is not public, the address does not need to be identified in the notice and agenda or be accessible to the public.~~ This bill would further amend the Brown Act

to require the agenda to identify any member of the legislative body that will participate in the meeting remotely. The bill would also require an updated agenda reflecting all of the members participating in the meeting remotely to be posted, if a member of the legislative body elects to participate in the meeting remotely after the agenda is posted. This bill would authorize, under specified circumstances and upon a determination by a majority vote of the legislative body, a member to be exempt from identifying the address of the member's teleconference location in the notice and agenda or having the location be accessible to the public, if the member elects to teleconference from a location that is not a public place. This bill would require all open and public meetings of a legislative body that elects to use teleconferencing to provide a video stream accessible to members of the public and an option for members of the public to address the body remotely during the public comment period through an audio-visual or call-in option. **This bill would repeal these provisions on January 1, 2030.**

(STATUS: Introduced on 02/10/22. Referred to Com. on L. GOV on 02/18/22. **From committee chair, with author's amendments: Amend, and re-refer to Com. on L GOV. Read second time and amended on 4/18/22. Re-referred to Com. on L GOV on 04/19/22. In committee: Set, first hearing; hearing canceled at the request of author.**)

**AB 1971 (Cooper) – SACRS Sponsored Bill -- Amended in Assembly on 04/18/22**

~~The CERL authorizes the board of retirement to make regulations that are not inconsistent with its provisions and these regulations become effective when approved by the applicable board of supervisors. This bill would specify other provisions with which the above-described regulations are required to be consistent and would remove the requirement of approval by the board of supervisors as a necessary condition for them to become effective.~~

The CERL authorizes a member who returns to active service following an uncompensated leave of absence on account of illness or parental leave to receive service credit for the period of the absence upon the payment of the contributions, as specified. CERL prescribes limits on these benefits and processes for making contributions. CERL authorizes the provision of service credit to members in other specified instances while generally providing that a person is not entitled to service credit for time the person was not in service. This bill would authorize the board to grant members who are subject to a temporary mandatory furlough the same service credit and compensation earnable or pensionable compensation to which the members would have been entitled in the absence of the temporary mandatory furlough. The bill would authorize the board to condition this grant on specified factors.

The CERL generally prohibits a member retired from service from being paid for service rendered to a county or district after retirement, subject to certain exceptions, and prescribes requirements for reinstatement into a retirement system upon reemployment. CERL and PEPR authorize reemployment of, and service by, retired members in certain capacities after retirement without reinstatement into the applicable retirement system, and prescribe limits on this service. This bill would authorize a person who is retired ~~under CERL and receiving a retirement benefit from a county system~~ to serve without reinstatement for service on a part-time ~~state, county, city, district, or other political subdivision~~ board or commission **operating under a participating agency**

**of the same county retirement system.** The bill would prohibit a retired person ~~servicing~~ **acting** in this capacity from acquiring benefits, service credit, or retirement rights with respect to the service and would prescribe limits on the ~~hours of service and the associated salary or stipend for the part-time service for service with the board or commission.~~

The CERL regulates disability retirements and authorizes a retirement board to grant a service retirement allowance pending the determination of the entitlement to disability retirement. If a member is found eligible for disability retirement, CERL requires that appropriate adjustments be made in the member's retirement allowance retroactive to the effective date of their disability retirement. CERL prohibits this authorization from being construed to authorize a member to receive more than one type of retirement allowance for the same period of time or to entitle a beneficiary to receive benefits which the beneficiary would not otherwise have been entitled to receive. This bill would apply specified provisions in this regard to a member retired for service who subsequently files an application for disability retirement and, if the member is found to be eligible for disability retirement, would require appropriate adjustments to be made in the retirement allowance retroactive to the effective date of the disability retirement. ~~The bill would also require that, if a member with a disability retirement is subsequently determined not to be incapacitated, and the person's employer does not offer to reinstatement, the person's retirement allowance is to be reclassified to a service retirement in the same amount and subject to any applicable future cost of living adjustments. The bill would require, in this regard, that the optional or unmodified type of allowance selected by at the time of retirement for disability be binding as to the service retirement.~~

The CERL authorizes a member or a retired member, until the first payment of a retirement allowance is made, to elect to have the actuarial equivalent of a retirement allowance, as of the date of retirement, applied to a lesser retirement allowance payable throughout life in accordance with specified optional settlements. This bill would authorize a member retired for service who is subsequently granted a disability retirement to change the type of optional or unmodified allowance that they elected at the time the service retirement was granted, as specified.

~~The CERL authorizes the granting of reciprocal benefits to members with service in other retirement systems that have entered into agreements to provide such benefits, provided that the member satisfies specified requirements. CERL prohibits these provisions from being construed to authorize a member credited with service in multiple entities who is eligible for a disability allowance to receive an amount that results in a disability allowance greater than the amount the member would have received had all the member's service been with only one entity. CERL requires, in this connection, that each entity calculate its respective obligations based upon the member's service with that entity and adjust its payment on a pro-rata basis. This bill would require, with regard to disability allowances subject to reciprocity to be adjusted on a pro-rata basis, as described above, if one entity does not reduce the amount it pays a member, then another entity is to reduce the allowance it pays the member by as much as necessary to ensure that the member does not receive a disability allowance greater than the amount the member would have received had all the member's service been with only one entity.~~

(STATUS: Introduced 02/10/22. Referred to Com. on P.E & R on 02/18/22. **From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E & R; read second time and amended on 04/18/22. Re-referred to Com. on P.E & R on 04/19/22. From committee: Do pass on 04/20/22. Read second time; ordered to third reading 04/21/22.**)

**AB 1993 (Wicks and Low) Revised on 04/18/22**

Existing law, the California Fair Employment and Housing Act (FEHA), establishes the Department of Fair Employment (department) and Housing within the Business, Consumer Services, and Housing Agency and sets forth its powers and duties relating to the enforcement of civil rights laws with respect to housing and employment. Existing federal law, the Federal Food, Drug, and Cosmetic Act, authorizes the United States Secretary of Health and Human Services to approve new drugs and products, including vaccines, for introduction into interstate commerce, and authorizes the secretary to authorize vaccines for use in an emergency upon declaring a public health emergency. On February 4, 2020, the secretary determined that there is a public health emergency and declared circumstances exist justifying the authorization of emergency use of drugs and biological products. The secretary subsequently authorized the emergency use of 3 vaccines for the prevention of COVID-19, and on August 23, 2021, the secretary approved a vaccine for the prevention of COVID-19.

The California Emergency Services Act authorizes the Governor to declare a state of emergency during conditions of disaster or extreme peril to persons or property, including epidemics. On March 4, 2020, the Governor declared a state of emergency relating to the COVID-19 pandemic. Pursuant to this authority, the Governor issued several executive orders requiring individuals in specified employment, health care, school, or other settings to provide proof of a COVID-19 vaccination status, unless specified exceptions are met.

This bill would require an employer to require each person who is an employee or independent contractor, and who is eligible to receive the COVID-19 vaccine, to show proof to the employer, or an authorized agent thereof, that the person has been vaccinated against COVID-19. This bill would establish an exception from this vaccination requirement for a person who is ineligible to receive a COVID-19 vaccine due to a medical condition or disability or because of a sincerely held religious belief, as specified, and would require compliance with various other state and federal laws. The bill would require proof-of-vaccination status to be obtained in a manner that complies with federal and state privacy laws and not be retained by the employer, unless the person authorizes the employer to retain proof. This bill would require, on January 1, 2023, each employer to affirm, in a form and manner provided by the department, that each employee or independent contractor complied with these provisions, and would require the employer to affirm that each new employee or independent contractor is in compliance at the time of hiring or contracting with that person. The bill would require the department to impose a penalty of an unspecified amount on an employer for any violation of these provisions.

The bill would apply to both private and public employers, and defines “public employer” as (1) the state and every state entity, including, but not limited to, the Legislature, the judicial branch, the University of California, and the California State University; and (2) a political subdivision of the state, or agency or instrumentality of the

state or subdivision of the state, including, but not limited to, a city, county, city and county, charter city, charter county, school district, community college district, powers authority, joint powers agency, and any public agency, authority, board, commission, or district.

This bill would repeal these provisions when the federal Centers for Disease Control and Prevention's Advisory Committee on Immunization Practices determines that COVID-19 vaccinations are no longer necessary for the health and safety of individuals. This bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities. This bill would declare that its provisions are severable.

(STATUS: Introduced 02/10/22. Referred to Coms. on L & E and JUD on 03/17/22. In committee: Hearing canceled at the request of author on 03/29/22. **Coauthors revised on 04/18/22.**)

#### **AB 2443 (Cooley)**

*(This bill has been amended and is now a bill proposing federal limitations on retirement benefits.)*

Current law establishes the Legislators' Retirement System, Public Employees' Retirement System, the Judges' Retirement System, and Judges' Retirement System II, all of which provide retirement and other benefits to their respective members and are administered by CalPERS. Existing federal law prescribes limits on the amount of retirement benefits that a member may receive if a retirement system is to maintain its tax-qualified status and may require that benefits from different retirement plans maintained by the same employer be aggregated. This bill, for purposes of the above-described retirement systems, would prescribe the method by which benefits are to be reduced when federal law requires aggregation of benefits from different plans maintained by the same employer and federal limits on benefits are reached.

(STATUS: Introduced 02/17/22. On 03/17/22: referred to Com. on P.E & R; from committee chair, with author's amendments: amend, and re-refer to Com. on P.E & R; read second time and amended. Re-referred to Com. on P.E & R on 03/21/22. From committee: Do pass and re-referred to Com. on APPR on 03/30/22. **From committee: Do pass; to Consent Calendar on 04/27/22. Read second time; ordered to Consent Calendar on 04/28/22.**)

#### **AB 2449 (B. Rubio)**

The Brown Act, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health. This bill would authorize a local agency to use teleconferencing without complying with those specified teleconferencing requirements if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, provided that the legislative body complies with all of the following: (1) the legislative body gives notice of the meeting and posts agendas as otherwise required by the Brown Act; (2) all members of the legislative body attending the meeting by teleconference participate only through both audio and visual technology; (3) the legislative body allows members of the public to access the meeting; and (4) the agenda provides an opportunity for members of the public to address the legislative body directly.



Additionally, in each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option, and an opportunity for members of the public to attend and address the legislative body at the in-person location of the meeting.

(STATUS: Introduced 02/17/22. Referred to Com. on L. GOV on 03/03/22.)

**AB 2493 (Chen)**

*(This bill was previously a bill that would have made a non-substantive change to local agency law requiring action by resolution.)*

This bill would authorize a county retirement system to adjust retirement payments based on disallowed compensation for sworn peace officers and firefighters of that system. The bill would provide that if the retirement system determines that the compensation reported for a sworn peace officer or firefighter of the system is disallowed compensation, as defined, the system would require the county employer or agency to discontinue reporting the disallowed compensation. The bill would apply this to determinations made on or after July 30, 2020, if an appeal has been filed and the applicable member, retired member, survivor, or beneficiary has not exhausted their administrative or legal remedies.

The bill would require, for an active sworn peace officer or firefighter, that all contributions made on the disallowed compensation be credited against future contributions to the benefit of the employer or agency that reported the disallowed compensation, and any contribution paid by, or on behalf of, that member, be returned to the member by the employer or agency, as specified.

The bill would require, for a retired sworn peace officer or firefighter, survivor, or beneficiary whose final compensation was predicated upon the disallowed compensation, that contributions made on the disallowed compensation be credited against future contributions to the benefit of the employer or agency that reported the disallowed compensation and would require the system to permanently adjust the benefit of the affected retired member, survivor, or beneficiary to reflect the exclusion of the disallowed compensation.

The bill would specify other conditions required to be satisfied with respect to a retired sworn peace officer or firefighter, survivor, or beneficiary whose final compensation was predicated upon disallowed compensation, including, among others, requiring payment of a penalty by the employer or agency that reported contributions on the disallowed compensation. The bill would also require certain information regarding the relevant retired member, survivor, or beneficiary needed for purposes of these provisions to be kept confidential by the recipient.

(STATUS: Introduced 02/17/22. On 03/24/22: Referred to Com. on P.E & R; from committee chair, with author's amendments: amend, and re-refer to Com. on P.E & R; read second time and amended. Re-referred to Com. on P.E & R on 03/28/22. On 04/05/22: From committee chair, with author amendments: amend, and re-refer to Com. on P.E & R; read second time and amended. **Re-referred to Com. on P.E & R on 04/06/22. From committee: Do pass on 04/20/22. Read second time; ordered to third reading on 04/21/22.**)



**AB 2647 (Levine) Amended on Assembly on 04/19/22**

The Brown Act requires the meetings of the legislative body of a local agency to be conducted openly and publicly, with specified exceptions. Current law makes agendas of public meetings and other writings distributed to the members of the governing board disclosable public records, with certain exceptions. Current law requires a local agency to make those writings distributed to the members of the governing board available **less than 72 hours before a meeting** for public inspection, **as specified**, at a public office or location that the agency designates. This bill would instead require a local agency to make those writings distributed to the members of the governing board available for public inspection at a public office or location that the agency designates ~~or~~ **post and list the address of the office or location on the agenda for all meetings of the legislative body of the agency unless the local agency meets certain requirements, including the local agency immediately posts** the writings on the local agency's internet website in a position and manner that makes it clear that the writing relates to an agenda item for an upcoming meeting.

(STATUS: Introduced 02/18/22. Referred to Coms. on L. GOV and JUD on 03/10/22. **From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV; read second time and amended on 04/19/22. Re-referred to Com. on L. GOV on 04/20/22. In committee: Hearing postponed on 04/25/22.**)

**SB 457 (Portatino & Wilk)**

This bill would require the boards of CalPERS and CalSTRS to provide employers that are school districts and cities that participate in the systems an option to elect an investment portfolio that does not contain investment vehicles that are issued or owned by the government of the Republic of Turkey.

(STATUS: Passed out of the Senate; ordered to Assembly on 05/24/21. Referred to Com. on P.E & R on 05/28/21.)

**SB 868 (Cortese) Amended in Senate on 04/18/22**

Current law creates the Teachers' Retirement Fund and establishes within that fund a segregated account named the Supplemental Benefit Maintenance Account. Current law continuously appropriates funds in the Supplemental Benefit Maintenance Account for expenditure for the purpose of restoring the purchasing power of the allowances of retired members and nonmember spouses, disabled members, and beneficiaries, and prescribes various schedules pursuant to which these allowances are augmented. This bill would prescribe additional benefits to be paid quarterly from the Supplemental Benefit Maintenance Account, beginning July 1, 2023, to retired members and nonmember spouses, disabled members, and beneficiaries, to be made pursuant to a specified schedule. By providing for additional payments to be made from a continuously appropriated fund, this bill would make an appropriation. The bill would require the amount of these increases to be determined on July 1, 2023, as specified, and would require that amount to be increased each year commencing on July 1, 2024, but not compounded. The bill would specify that these increases are not part of the base allowance, are payable only to the extent that funds are available from the Supplemental Benefit Maintenance Account, and would state the extent to which these payments would be vested.

(STATUS: Introduced 01/24/22. Referred to Com. on L., P.E & R on 02/02/22. On 03/24/22: from committee with author's amendments; read second time and amended; re-referred to Com. on L, P.E & R. On 04/05/22: from committee: do pass and re-refer to Com. on APPR. **Co-authors amended on 04/18/22.**)

**SB 931 (Leyva) Amended in Senate 04/21/2022**

Current law prohibits a public employer from deterring or discouraging public employees or applicants to be public employees from becoming or remaining members of an employee organization, authorizing representation by an employee organization, or authorizing dues or fee deductions to an employee organization. Current law generally vests jurisdiction over violations of these provisions in the Public Employment Relations Board. This bill would authorize an employee organization, as described, to bring a claim before the Public Employment Relations Board alleging that a public employer violated the above-described provisions. Upon a finding by the board that the public employer violated those provisions, the public employer would be subject to a civil penalty of up to \$1,000 for each affected employee, not to exceed \$100,000 in total, and subject to attorney's fees and costs, described **and except as specified**. The bill would provide that the civil penalty is recoverable by the board and shall be used, upon appropriation, for further administration of specified provisions.

(STATUS: Introduced 02/07/22. Read first time; referred to Com. on RLS for assignment on 02/07/22. Referred to Coms. on L, P.E & R and JUD on 02/16/22. From committee: Do pass and re-referred to Com. on JUD on 03/22/22. **From committee: Do pass as amended and re-refer to Com. on APPR on 04/20/22. Read second time and amended; re-referred to Com. on APPR on 04/21/22. Placed on APPR suspense file on 05/02/22.**)

**SB 1100 (Cortese) Amended in Senate 04/21/22**

The Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. Existing law requires every agenda for regular meetings of a local agency to provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body's consideration of the item, that is within the subject matter jurisdiction of the legislative body. Existing law authorizes the legislative body to adopt reasonable regulations to ensure that the intent of the provisions relating to this public comment requirement is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker. Existing law authorizes the members of the legislative body conducting the meeting to order the meeting room cleared and continue in session, as prescribed, if a group or groups have willfully interrupted the orderly conduct of a meeting and order cannot be restored by the removal of individuals who are willfully interrupting the meeting.

This bill would authorize the presiding member of the legislative body conducting a meeting to remove an individual for **disrupting** the meeting. **The bill, except as provided, would require removal to be preceded by a warning by the presiding member of the legislative body that the individual is disrupting the proceedings, a request that the individual curtail their disruptive behavior or be subject to removal, and a reasonable opportunity to curtail their disruptive behavior.** The bill would define "disrupting" for this purpose.

(STATUS: Introduced 02/16/22. Referred to Coms. on GOV & F and JUD on 02/23/22. On 03/09/22: From committee with author's amendments; read second time and amended; re-referred to Com. on GOV & F on 03/09/22. From committee: Do pass as amended and re-refer to Com. on JUD on 03/17/22. Read second time

and amended; re-referred to Com. on JUD. on 03/21/22. **From committee with author's amendments; read second time and amended; re-referred to Com. on JUD on 04/07/22. From committee: Do pass as amended on 04/20/22. Read second time and amended; ordered to third reading on 04/21/22.)**

**SB 1114 (Newman)**

This bill would amend the PERL to make a nonsubstantive change to the definition of "employer".  
(STATUS: Introduced 02/16/22. Referred to Com. on RLS on 02/23/22.)

**SB 1168 (Cortese) Amended in Senate on 04/20/22**

The PERL provides that upon the death of a member after retirement and while receiving a retirement allowance from CalPERS. **Existing law, applicable to agencies that contract with PERS to provide benefits to their employees, requires a payment of \$500 to be made to a beneficiary upon the death of a member after retirement and while receiving a retirement allowance from PERS, the sum of \$500 shall be paid to the person's beneficiary, to be provided from contributions by the state or contracting agency, as the case may be, unless otherwise provided. This bill would require the CalPERS board to determine the average benefit paid under various CalPERS provisions upon the death of a member, as provided, and would require the board, beginning on July 1, 2023, to increase the \$500 beneficiary payment described above annually in a specified amount until the beneficiary payment reaches the average benefit paid, as calculated by the board.** This bill, for a death occurring on or after July 1, 2023, would increase the amount of the above-described benefit to **\$2,000.**

(STATUS: Introduced 02/17/22. Referred to Com. on L, P.E & R on 03/02/22. **From committee: Do pass as amended and re-refer to Com. on APPR with recommendation: To consent calendar on 4/19/22. Read second time and amended; re-referred to Com. on APPR on 04/20/22. From committee: Ordered to second reading and ordered to consent calendar on 05/02/22.)**

**SB 1173 (Gonzalez) Amended in Senate on 04/21/22**

This bill would prohibit the boards of CalPERS and CalSTRS from making new investments or renewing existing investments of public employee retirement funds in a fossil fuel company, as defined. The bill would require the boards to liquidate investments in a fossil fuel company on or before July 1, ~~2027~~ **2030**. The bill would temporarily suspend the above-described liquidation provision upon a good faith determination by the board that certain conditions materially impact normal market mechanisms for pricing assets, as specified, and would make this suspension provision inoperative on January 1, 2035. The bill would provide that it does not require a board to take any action unless the board determines in good faith that the action is consistent with the board's fiduciary responsibilities established in the California Constitution. This bill would require the boards, commencing February 1, 2024, and annually thereafter, to file a report with the Legislature and the Governor, containing specified information, including a list of fossil fuel companies of which the board has liquidated their investments. The bill would provide that board members and other officers and employees shall be held harmless and be eligible for indemnification in connection with actions taken pursuant to the bill's requirements, as specified.

(STATUS: Introduced 02/17/22. Referred to Coms. on L, P.E & R and JUD on 03/02/22. On 04/05/22: from committee: do pass as amended and re-refer to Com. on JUD. **Read second time and amended; re-referred to Com. on JUD on 04/06/22. From committee: Do pass as amended and re-refer to Com. on APPR on 04/20/22. Read second time and amended; re-referred to Com. on APPR on 04/21/22. Placed on APPR suspense file on 05/02/22.**)

**SB 1328 (McGuire and Cortese) Amended in Senate on 04/19/22**

This bill would prohibit the boards of specified state and local public retirement systems from investing public employee retirement funds in a company with business operations in Russia or Belarus or a company that supplies military equipment to Russia or Belarus, as defined. The bill would require those boards to contract with a research firm or firms to determine those companies with business operations in those countries, and to conduct their own review of companies with business operations in those countries, as specified. The bill would require the boards to determine whether a company has business operations in Russia or Belarus or supplies military equipment to Russia or Belarus. The bill, except as specified, would require the board to notify companies determined to have business operations with those countries, and request the company to take substantial action, as defined and specified. If the company fails to complete substantial action, the bill would prohibit the board from making additional or new investments in that company, and would require the board to liquidate the investments of the board in that company, as specified. The bill would also require the board, on or before January 1, 2023, and every year thereafter, to file a specified report with the Legislature. The bill would repeal these provisions on specified triggering events. The bill specifies that it does not require the board to take action as described unless the board determines, in good faith, that the action is consistent with the fiduciary responsibilities of the board as described in Section 17 of Article XVI of the California Constitution. By requiring the boards of local public retirement systems to take specified actions, this bill would impose a state-mandated local program.

Existing law specifies the duties of the ~~State Controller, Treasurer~~, which include ~~superintending the fiscal concerns of the state and auditing all claims against the state.~~ **receiving and keeping in the vaults of the State Treasury or depositing in banks or credit unions all moneys belonging to the state, and, except as specified, receiving and keeping in the vaults of the State Treasury or depositing for safekeeping with any federal reserve bank or any branch thereof, or with any trust company or the trust department of any state or national bank located in a city designated as a reserve or central reserve city by the Board of Governors of the Federal Reserve System, bonds and other securities or investments belonging to the state.** This bill, except as specified, would prohibit the ~~Controller~~ **Treasurer** from making additional or new investments or renewing existing investments of state moneys in any investment vehicle in the government of Russia or the government of Belarus that meets certain conditions, or in or from a Russian or Belarusian financial institution currently under sanctions imposed by the United States, as defined and specified. The bill would repeal these provisions on specified triggering events.

Existing law specifies how money received into the treasury must be credited and how those state funds are to be used. Existing law prohibits state funds from being used to reimburse a state contractor for costs incurred to

assist, promote, or deter union organizing, as defined and specified. Existing law also prohibits state trust moneys from being used to make additional or new investments or to renew existing investments in business firms that engage in discriminatory practices in further of or in compliance with the Arab League's economic boycott of Israel, as defined and specified. This bill, except as specified, would prohibit a state agency, as defined, from making additional or new investments or renewing existing investments of state moneys in any investment vehicle in the government of Russia or the government of Belarus that meets certain conditions, or in or from Russian **or Belarusian** financial institutions currently under sanctions imposed by the United States, and would require a state agency to liquidate those investments. The bill would also require a state agency to file a specified report with the Legislature and the Governor. The bill would urge companies operating in California and the Regents of the University of California to divest and separate themselves from the government of Russia, Russian financial institutions, Russian businesses, the government of Belarus, Belarusian financial institutions, and Belarusian businesses, and would request companies doing business in California to report their investments in and contracts with the government of Russia, Russian financial institutions, -Russian businesses, the government of Belarus, Belarusian financial institutions, and Belarusian businesses, as specified. The bill would repeal these provisions on specified triggering events.

Existing law authorizes state agencies to contract for goods, information technology, or services with certain suppliers, as specified. Existing law also makes companies in Sudan involved in certain activities ineligible to bid or submit a proposal for, and forbids them from bidding on or submitting a proposal for, a contract with a state agency for goods or services, as specified. This bill, except as specified, would make a company that conducts business with the government of Russia or the government of Belarus ineligible to bid or submit a proposal for, and would forbid that company from bidding on or submitting a proposal for, a contract with a state agency for goods or services, as defined and specified. The bill would require a state agency to require a company that submits a bid or proposal with respect to a contract for goods or services to certify that the company is not a scrutinized company, as prescribed. The bill would, among other things, make a company that submits a false certification under these provisions liable for a civil penalty, and would require the Department of General Services to report the company to the Attorney General, who would be required to determine whether to bring a civil action against the company, as specified. The bill would repeal these provisions on specified triggering events.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above. This bill would declare that it is to take effect immediately as an urgency statute.

(STATUS: Introduced 02/18/22. Read first time. Referred to Com. on RLS on 03/02/22. From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS on 03/03/22. From committee: Do pass as amended and re-refer to Com. on G.O on 03/22/22. Read second time; amended; and re-referred to Com. on G.O on 03/23/22. From committee: Do pass and re-refer to Com. on APPR on 03/29/22.

**From committee with author's amendments; read second time and amended; re-referred to Com. on APPR on 04/19/22. Placed on APPR suspense file on 05/02/22.)**

**SB 1343 (Leyva) Amended in Senate on 04/26/22**

The Charter Schools Act of 1992 authorizes the establishment and operation of charter schools. Existing law authorizes charter schools to elect to make CalSTRS, CalPERS, or both available to qualifying employees. This bill would require charter schools authorized on and after January 1, 2023, to participate in CalSTRS, CalPERS, or both. **The bill would specify that this provision does not apply to an employee of a charter school if, prior to January 1, 2023, the employee was not already a member of STRS or PERS, unless the employee requests to become a member of STRS or PERS when the charter school is reauthorized on and after January 1, 2023.** **Charter schools seeking a renewal authorization on or after January 1, 2023.** The bill would generally require CalSTRS, the Cash Balance Benefit Program, and CalPERS to apply to charter schools in the same manner as the systems and program apply to other public schools. **The bill would require the chartering authority to provide notice to STRS or PERS, as applicable, of the occurrence of specified events, including approval of a charter school petition, within 30 days of the event's occurrence, on a form prescribed by the system.** For the purpose of paying contributions on behalf of a charter school, the bill would require a county superintendent, district superintendent, or other employing agency that reports directly to CalSTRS, upon state apportionment to a charter school, to draw requisitions against the funds of the charter school in amounts equal to the estimated contributions required to be paid by the charter school to CalSTRS, as specified, and pay them to the system. The bill would prohibit these requisitions from exceeding an estimated 3 months of contributions to be paid by the charter school. **The bill would also require a county superintendent, district superintendent, or other employing agency that reports directly to the retirement system to use any unencumbered funds, otherwise legally available for this purpose, to pay for any amounts due to the system that remain unpaid.** The bill would require the estimated amount to be determined by the county superintendent, district superintendent, or other employing agency. The bill would create similar requirements and prohibitions for purposes of requisitions related to the Cash Balance Benefit Program and CalPERS. By depositing additional moneys in continuously appropriated funds, this bill would make ~~appropriations~~ **an appropriation.**

Existing law requires a county superintendent, district superintendent, chancellor of a community college district, or other employing agency that reports directly to CalSTRS to draw requisitions for contributions required pursuant to specified provisions in favor of the system. Existing law requires employers participating in CalSTRS to contribute monthly a specified percentage of the creditable contribution upon which member contributions are based in connection with funding the liability for benefits related to accumulated and unused sick leave. This bill would require that the monthly contributions for benefits related to accumulated and unused sick leave be subject to the above-described requisition process.

(STATUS: Introduced 02/18/22. Referred to Coms. on L, P.E & R and ED on 03/2/22. On 03/22/22: From committee with author's amendments; read second time and amended; re-referred to Com. on L, P.E & R. On 04/05/22: From committee: do pass and re-refer to Com. on ED. **Do pass as amended and re-refer to Com. on APPR on 04/25/22. Read second time and amended; re-referred to Com. on APPR on 04/26/22.)**

**SB 1402 (Umberg) Amended in Senate on 04/07/22**

Current law authorizes a member of CalSTRS to receive creditable service for certain types of service outside the system, including military service, and distinguishes in this regard between service performed before membership and after becoming a member. Current law authorizes ~~receipt of a member who is a state employee, or a retired member who retired immediately following service as a state employee, as specified, to receive~~ credit for specified military or Merchant Marine service occurring prior to membership and prescribes requirements and limits in this connection. Current law requires, in this context, that the member contribute sufficient funds to cover the total cost of military service credit, as specified. Current law limits the application of this authorization to receive premembership service credit to specified service in the Armed Forces of the United States or in the Merchant Marine of the United States prior to January 1, 1950. This bill would delete the ~~requirement that the service subject to the authorization described above~~ **the limitation that the service have occurred prior to January 1, 1950, from these provisions, unless certain exceptions apply, and would delete the requirement that the electing member is a state employee or a retired member who retired immediately following service as a state employee.**

Existing law authorizes specified members of PERS, including state members, to receive public service credit for certain types of service outside the system, including military service, and distinguishes in this regard between service performed before membership and after becoming a member. Existing law authorizes receipt of public service credit for specified military or Merchant Marine service occurring prior to membership and prescribes requirements and limits in this connection. Existing law requires, in this context, that the member contribute funds to cover the total cost of this public service credit, as specified. Existing law limits the application of this authorization to receive this public service credit to specified service in the Armed Forces of the United States or in the Merchant Marine of the United States prior to January 1, 1950. **Existing law provides that this authorization only applies to agencies contracting with PERS if the agency elects to amend its contract.** This bill would delete the requirement that the service subject to the authorization described above have occurred prior to January 1, 1950, **and would require contracting agencies to provide members the option to receive the public service credit for specified service in the Armed Forces of the United States or in the Merchant Marine of the United States.**

(STATUS: Introduced 02/18/22. Referred to Com. on L, P.E & R on 03/09/22. **From committee with author's amendments; read second time and amended; re-referred to Com. on L., P.E & R on 04/07/22. From committee: Do pass and re-refer to Com. on APPR with recommendation: To consent calendar on 04/19/22. From committee: Ordered to second reading and ordered to consent calendar on 05/02/22.**)

**SB 1420 (Dahle)**

This bill would require that an agency participating in CalPERS that increases the compensation of a member who was previously employed by a different agency to bear all actuarial liability for the action, if it results in an increased actuarial liability beyond what would have been reasonably expected for the member. The bill would require, in this context, that the increased actuarial liability be in addition to reasonable compensation growth that is anticipated for a member who works for an employer or multiple employers over an extended time. The bill would require, if multiple employers cause increased liability, that the liability be apportioned equitably



among them. The bill would apply to an increase in actuarial liability, as specified, due to increased compensation paid to an employee on and after January 1, 2023.

(STATUS: Introduced 02/18/22. Referred to Com. on L, P.E & R on 03/09/22. **Heard in committee on 04/27/22; failed passage; reconsideration granted.**)



**2022 TENTATIVE LEGISLATIVE CALENDAR**

COMPILED BY THE OFFICE OF THE ASSEMBLY CHIEF CLERK AND THE OFFICE OF THE SECRETARY OF THE SENATE  
Revised 10-21-21

**DEADLINES**

JANUARY							
	S	M	T	W	TH	F	S
Interim Recess							1
Wk. 1	2	3	4	5	6	7	8
Wk. 2	9	10	11	12	13	14	15
Wk. 3	16	17	18	19	20	21	22
Wk. 4	23	24	25	26	27	28	29
Wk. 1	30	31					

FEBRUARY							
	S	M	T	W	TH	F	S
Wk. 1			1	2	3	4	5
Wk. 2	6	7	8	9	10	11	12
Wk. 3	13	14	15	16	17	18	19
Wk. 4	20	21	22	23	24	25	26
Wk. 1	27	28					

MARCH							
	S	M	T	W	TH	F	S
Wk. 1			1	2	3	4	5
Wk. 2	6	7	8	9	10	11	12
Wk. 3	13	14	15	16	17	18	19
Wk. 4	20	21	22	23	24	25	26
Wk. 1	27	28	29	30	31		

APRIL							
	S	M	T	W	TH	F	S
Wk. 1						1	2
Wk. 2	3	4	5	6	7	8	9
Spring Recess	10	11	12	13	14	15	16
Wk. 3	17	18	19	20	21	22	23
Wk. 4	24	25	26	27	28	29	30

MAY							
	S	M	T	W	TH	F	S
Wk. 1	1	2	3	4	5	6	7
Wk. 2	8	9	10	11	12	13	14
Wk. 3	15	16	17	18	19	20	21
No Hrgs.	22	23	24	25	26	27	28
Wk. 4	29	30	31				

- Jan. 1** Statutes take effect (Art. IV, Sec. 8(c)).
- Jan. 3** Legislature reconvenes (J.R. 51(a)(4)).
- Jan. 10** Budget must be submitted by Governor (Art. IV, Sec. 12(a)).
- Jan. 14** Last day for **policy committees** to hear and report to **fiscal committees** fiscal bills introduced in their house in the odd-numbered year (J.R. 61(b)(1)).
- Jan. 17** Martin Luther King, Jr. Day.
- Jan. 21** Last day for any committee to hear and report to the **floor** bills introduced in that house in the odd-numbered year. (J.R. 61(b)(2)).  
Last day to submit **bill requests** to the Office of Legislative Counsel.
- Jan. 31** Last day for each house to pass bills introduced in that house in the odd-numbered year (J.R. 61(b)(3)) (Art. IV, Sec. 10(c)).

- Feb. 18** Last day for bills to be **introduced** (J.R. 61(b)(4), J.R. 54(a)).
- Feb. 21** Presidents' Day.

- Apr. 1** Cesar Chavez Day observed.
- Apr. 7** **Spring Recess** begins upon adjournment (J.R. 51(b)(1)).
- Apr. 18** Legislature reconvenes from Spring Recess (J.R. 51(b)(1)).
- Apr. 29** Last day for **policy committees** to hear and report to fiscal committees **fiscal bills** introduced in their house (J.R. 61(b)(5)).
- May 6** Last day for **policy committees** to hear and report to the floor **nonfiscal** bills introduced in their house (J.R. 61(b)(6)).
- May 13** Last day for **policy committees** to meet prior to May 31 (J.R. 61(b)(7)).
- May 20** Last day for **fiscal committees** to hear and report to the **floor** bills introduced in their house (J.R. 61 (b)(8)).  
Last day for **fiscal committees** to meet prior to May 31 (J.R. 61 (b)(9)).
- May 23 – 27** **Floor session only.** No committee may meet for any purpose except for Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees (J.R. 61(b)(10)).
- May 27** Last day for each house to pass bills introduced in that house (J.R. 61(b)(11)).
- May 30** Memorial Day.
- May 31** Committee meetings may resume (J.R. 61(b)(12)).

\*Holiday schedule subject to final approval by Rules Committee.

**2022 TENTATIVE LEGISLATIVE CALENDAR**COMPILED BY THE OFFICE OF THE ASSEMBLY CHIEF CLERK AND THE OFFICE OF THE SECRETARY OF THE SENATE  
Revised 10-21-21

JUNE							
	S	M	T	W	TH	F	S
Wk. 4				1	2	3	4
Wk. 1	5	6	7	8	9	10	11
Wk. 2	12	13	14	15	16	17	18
Wk. 3	19	20	21	22	23	24	25
Wk. 4	26	27	28	29	30		

**June 15** Budget Bill must be passed by midnight (Art. IV, Sec. 12(c)).**June 30** Last day for a legislative measure to qualify for the Nov. 8 General Election ballot (Elections Code Sec. 9040).

JULY							
	S	M	T	W	TH	F	S
Wk. 4						1	2
Summer Recess	3	4	5	6	7	8	9
Summer Recess	10	11	12	13	14	15	16
Summer Recess	17	18	19	20	21	22	23
Summer Recess	24	25	26	27	28	29	30
Wk. 1	31						

**July 1** Last day for **policy committees** to meet and report bills (J.R. 61(b)(14)).**Summer Recess** begins upon adjournment, provided Budget Bill has been passed (J.R. 51(b)(2)).**July 4** Independence Day.

AUGUST							
	S	M	T	W	TH	F	S
Wk. 1		1	2	3	4	5	6
Wk. 2	7	8	9	10	11	12	13
No Hrgs.	14	15	16	17	18	19	20
No Hrgs.	21	22	23	24	25	26	27
No Hrgs.	28	29	30	31			

**Aug. 1** Legislature reconvenes from **Summer Recess** (J.R. 51(b)(2)).**Aug. 12** Last day for **fiscal committees** to meet and report bills (J.R. 61(b)(15)).**Aug. 15 – 31 Floor session only.** No committee may meet for any purpose except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees (J.R. 61(b)(16)).**Aug. 25** Last day to **amend** bills on the floor (J.R. 61(b)(17)).**Aug. 31** Last day for each house to pass bills (Art. IV, Sec 10(c), J.R. 61(b)(18)).**Final Recess** begins upon adjournment (J.R. 51(b)(3)).**IMPORTANT DATES OCCURRING DURING FINAL RECESS****2022**

Sept. 30 Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor's possession on or after Sept. 1 (Art. IV, Sec. 10(b)(2)).

Oct. 2 Bills enacted on or before this date take effect January 1, 2023. (Art. IV, Sec. 8(c)).

Nov. 8 General Election.

Nov. 30 Adjournment *sine die* at midnight (Art. IV, Sec. 3(a)).

Dec. 5 2023-24 Regular Session convenes for Organizational Session at 12 noon. (Art. IV, Sec. 3(a)).

**2023**

Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).

\*Holiday schedule subject to final approval by Rules Committee.



## Memorandum

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**DATE:** May 04, 2022  
**TO:** Members of the Board of Retirement  
**FROM:** Cynthia Hockless, Director of Human Resources  
**SUBJECT:** **BOARD ELECTION, GENERAL AND RETIRED MEMBER UPDATE**

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### Recommendation:

Informational Only

### Background:

On March 15, 2022, OCERS contacted the Registrar of Voters requesting they conduct an election for the General and Retired member whose terms expire on December 31, 2025. We received a response informing us that the elections will be held on October 04, 2022. The Registrar of Voters has provided OCERS with an election schedule.

As per the attached schedule, we will notify eligible members of the elections. The Election Notices will be distributed with the June 24, 2022, and July 08, 2022, payrolls as well as mailed to the home of each General and Retired member via US mail.

The nomination period begins on July 05, 2022, and will close at 5:00 p.m. on August 03, 2022.

We are currently on schedule and will continue to provide updates as we progress through the process.

### Attachments:

1. OCERS letter requesting a General and Retired member election
2. Response letter from the Registrar of Voters with Calendar of events

### Submitted by:



C.H. – APPROVED

Cynthia Hockless  
Director of Human Resources



March 15, 2022

**Active Participating Employers:**

CITY OF SAN JUAN  
CAPISTRANO

COUNTY OF ORANGE

ORANGE COUNTY  
CEMETERY DISTRICT

ORANGE COUNTY CHILDREN  
& FAMILIES COMMISSION

ORANGE COUNTY  
EMPLOYEES RETIREMENT  
SYSTEM

ORANGE COUNTY FIRE  
AUTHORITY

ORANGE COUNTY IN-HOME  
SUPPORTIVE SERVICES  
PUBLIC AUTHORITY

ORANGE COUNTY LOCAL  
AGENCY FORMATION  
COMMISSION

ORANGE COUNTY PUBLIC  
LAW LIBRARY

ORANGE COUNTY  
SANITATION DISTRICT

ORANGE COUNTY  
TRANSPORTATION  
AUTHORITY

SUPERIOR COURT OF  
CALIFORNIA, COUNTY  
OF ORANGE

TRANSPORTATION  
CORRIDOR AGENCIES

**VIA EMAIL & PONY MAIL**

Registrar of Voters  
Marcia Nielsen, Candidate and Voter Services Manager  
1300 N. Grand Avenue, Bldg. #C  
Santa Ana, CA 92705

**Re: General and Retired Member Election for the Board of Retirement for the term of office from January 1, 2023, through December 31, 2025.**

Dear Ms. Nielsen,

The Orange County Employees Retirement System would like to request that the Registrar of Voters conduct an election for the position of General and Retired member of the Board of Retirement whose term of office will expire on December 31, 2022.

The election for the General member should be conducted from active General members and the election of the Retired member should be conducted from the active Retired membership of the Retirement System.

The elected Board members are scheduled to assume office upon certification of election results by the Board of Supervisors.

Under separate cover, we will send a list of eligible voting members by membership type.

We are looking forward to working with your office on the various steps of the election process. At your earliest convenience, please send the Election Calendar.

Should you have any questions regarding this request you may contact me directly at (714) 558-6228.

Sincerely,

Cynthia Hockless  
Director of Human Resources



**REGISTRAR OF VOTERS**  
1300 South Grand Avenue, Bldg. C  
Santa Ana, California 92705  
(714) 567-7600  
FAX (714) 567-7627  
ocvote.gov

**BOB PAGE**  
Registrar of Voters

Mailing Address:  
P.O. Box 11298  
Santa Ana, California 92711

April 20, 2022

Ms. Cynthia Hockless  
Director of Administrative Services  
Orange County Employees Retirement System  
2223 Wellington Avenue, Suite 100  
Santa Ana, CA 92701

Dear Ms. Hockless:

This is in response to your March 15, 2022 letter requesting the Registrar of Voters' Office to conduct a Special Election for the positions of General Member and Retired Member for the term of office from January 1, 2023 through December 31, 2025.

The election schedule is as follows:

- June 24 and July 8 (E-102 and E-88)      The Orange County Retirement office shall notify the General and Retired Members of the Retirement System that an election will be conducted on October 4, 2022. The notice shall include the filing period, qualifications and requirements to be a candidate for General Member and Retired Member of the Orange County Retirement Board of Directors and shall be provided with the payrolls on June 24, 2022 and July 8, 2022.
- June 27 (E-99)      The Retirement Office shall provide the number of eligible General Members and Retired Members to the Registrar of Voters' Office.
- June 27 (E-99)      The Retirement Office shall provide the Registrar of Voters' Office with Willingness to Serve forms.
- July 5 (E-91)      First day the Nomination Petition is available for pick up from the Registrar of Voters' Office. A General Member requires 75 nomination signatures and a Retired Member requires 25 nomination signatures.
- August 3 (E-62)      Last day to file the Nomination Petition, Willingness to Serve Form, and Biographical Statement with the Registrar of Voters' office by 5:00 p.m.

- |                              |   |
|------------------------------|---|
| August 4<br>(E-61)           | Random draw will be held to determine the candidate placement on the ballot.  |
| August 15<br>(E-50)          | Retirement Office shall provide the Registrar of Voters with names and addresses of eligible General Members and Retired Members in an electronic format. |
| August 29<br>(E-36)          | Mailing of ballots begins.  |
| October 4<br>(E-0)           | Tally voted ballots at the Registrar of Voters' Office.   |
| TBD<br>(E+)                  | Certificate of Election on Board of Supervisors' agenda.  |
| January 1,<br>2023<br>(E+89) | Term begins for General Member and Retired Member. Term expires on December 31, 2025.   |

If you have any questions, I can be reached at (714) 567-7568.



Sincerely, Marcia Nielsen  
Candidate and Voter Services Manager



## Memorandum

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**DATE:** May 16, 2022  
**TO:** Members of the Board of Retirement  
**FROM:** Tracy Bowman, Director of Finance  
**SUBJECT:** **GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

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### *Written report only*

#### **Background/Discussion**

The Government Finance Officers Association (GFOA) established the Certificate of Achievement for Excellence in Financial Reporting Program in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal.

The Certificate of Achievement for Excellence in Financial Reporting has been awarded to OCERS by the GFOA for its annual comprehensive financial report for the year ended December 31, 2020. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

In addition, an Award of Financial Reporting Achievement has been presented to the Finance Department by the GFOA for preparing the award-winning annual report. The annual report was judged by an impartial panel to meet the high standards of the program including demonstrating a constructive “spirit of full disclosure” to clearly communicate its financial story and motivate potential users and user groups to read the annual report.

#### **Attachments:**

Certificate of Achievement for Excellence in Financial Reporting  
 Award of Financial Reporting Achievement

#### **Submitted by:**

Tracy Bowman  
 Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Orange County Employees Retirement System  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

Executive Director/CEO





**The Government Finance Officers Association of  
the United States and Canada**

*presents this*

**AWARD OF FINANCIAL REPORTING ACHIEVEMENT**

*to*

**Finance Department**  
Orange County Employees Retirement System, California



*The Award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the department or individual designated as instrumental in the government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.*

Executive Director

*Christopher P. Morill*

Date: 4/12/2022



## Memorandum

**DATE:** May 16, 2022  
**TO:** Members of the Board of Retirement  
**FROM:** Tracy Bowman, Director of Finance  
**SUBJECT:** FIRST QUARTER 2022 BUDGET TO ACTUALS REPORT

### Written Report

#### Highlights

First Quarter Target: 25% Used /75% Remaining

	Actuals to Date	Amended Budget	Budget Remaining (\$)	Budget Remaining (%)
<b>Administrative Expenses</b>				
Personnel Costs	\$ 4,122,317	\$ 19,287,569	\$ 15,165,252	78.6 %
Services and Supplies	2,236,181	13,503,415	11,267,234	83.5 %
Capital Expenditures	173,594	1,092,000	918,406	84.1 %
<b>Grand Total</b>	<b>\$ 6,532,092</b>	<b>\$ 33,882,984</b>	<b>\$ 27,350,892</b>	<b>80.7 %</b>

#### Background/Discussion

The Board of Retirement approved OCERS' Administrative Budget for Fiscal Year 2022 (FY22) on November 15, 2021, for \$33,100,984 to fund administrative expenses. Subsequently on January 18, 2022, the Board of Retirement approved a budget amendment of \$782,000 to carryover costs related to two 2021 Business Plan initiatives that were delayed; the upgrade of board room audio/visual equipment for \$532,000 and implementation of new backup solutions to enhance recovery of on-premise and cloud systems in the amount of \$250,000. This amendment increased the 2022 budget for capital expenditures from \$310,000 to \$1,092,000 and the overall 2022 Administrative Budget from \$33,100,984 to \$33,882,984. In addition, on February 22, 2022, the Board approved an amendment to transfer \$25,000 from the Services and Supplies category to the Personnel Costs category related to the 2022 Business Plan initiative for a comprehensive review of MOUs for all OCERS Participating Employers which will be utilizing Extra Help positions, instead of a third-party consultant.

OCERS' budgeting authority, which is regulated by California Government Code Sections 31580.2 and 31596.1, includes a provision that limits the OCERS' budget for administrative expenses to twenty-one hundredths of one percent of the accrued actuarial liability of the retirement system. This provision (commonly referred to as the 21 basis points test) excludes investment related costs and expenditures for computer software, hardware, and related technology consulting services. The approved amended FY22 administrative budget represents 9.75 basis points of the projected actuarial accrued liability.

The Chief Executive Officer, or the Assistant CEO, has the authority to transfer funds within the three broad categories of the budget: 1) Personnel Costs, 2) Services and Supplies, and 3) Capital Expenditures. Funds may not be transferred from one broad category to another without approval from the Board of Retirement.

### Administrative Summary

For the three months ended March 31, 2022, year-to-date actual administrative expenses were \$6,532,092 or 19.3% of the \$33,882,984 amended administrative budget and below the 25% target set for the end of the first quarter amended budget by approximately \$1.9 million. A summary of all administrative expenses and explanations of significant variances are below:

	Actual to Date	Amended Budget	Budget Remaining (\$)	Budget Used (%)	Prorated Budget*	(Over)/Under Prorated Budget
<b>Administrative Expenses</b>						
<b>Personnel Costs</b>	\$ 4,122,317	\$ 19,287,569	\$ 15,165,252	21.4 %	\$ 4,821,894	\$ 699,577
Services and Supplies						
Building Property Management and Maintenance	198,000	750,000	552,000	26.4 %	187,500	(10,500)
Due Diligence Expenses	73	100,000	99,927	0.1 %	25,000	24,927
Equipment - Rent and Leases	8,006	54,500	46,494	14.7 %	13,625	5,619
Equipment and Software	205,985	1,192,000	986,015	17.3 %	298,000	92,015
Infrastructure	231,131	1,196,300	965,169	19.3 %	299,075	67,944
Legal Services	136,206	960,000	823,794	14.2 %	240,000	103,794
Meetings and Related Costs	1,878	66,950	65,072	2.8 %	16,738	14,860
Memberships	21,612	81,735	60,123	25.8 %	20,434	(1,178)
Office Supplies	20,386	110,000	89,614	18.5 %	27,500	7,114
Postage and Delivery Costs	65,421	134,000	68,579	48.8 %	33,500	(31,921)
Printing Cost	13,535	61,000	47,465	22.2 %	15,250	1,715
Professional Services	1,204,342	7,861,810	6,657,468	15.3 %	1,965,453	761,111
Subscriptions and Periodicals	8,878	49,900	41,022	17.7 %	12,475	3,597
Telephone and Internet	79,159	307,000	227,841	25.8 %	76,750	(2,409)
Training and Related Costs	41,569	578,220	536,651	6.7 %	144,556	102,987
<b>Total Services and Supplies</b>	<b>2,236,181</b>	<b>13,503,415</b>	<b>11,267,234</b>	<b>16.5 %</b>	<b>3,375,856</b>	<b>1,139,675</b>
<b>Administrative Expense - Subtotal</b>	<b>6,358,498</b>	<b>32,790,984</b>	<b>26,432,486</b>	<b>19.4 %</b>	<b>8,197,752</b>	<b>1,839,254</b>
<b>Capital Expenditures**</b>	<b>173,594</b>	<b>1,092,000</b>	<b>918,406</b>	<b>15.9 %</b>	<b>273,000</b>	<b>99,406</b>
<b>Grand Total</b>	<b>\$ 6,532,092</b>	<b>\$ 33,882,984</b>	<b>\$ 27,350,892</b>	<b>19.3 %</b>	<b>\$ 8,470,752</b>	<b>\$ 1,938,660</b>

\*Prorated budget represents 25% (3 months/12 months) of annual amended budget.

\*\*Capital expenditures represent purchase of assets to be amortized in future periods.

### Personnel Costs

Personnel Costs as of March 31, 2022 were approximately \$4.1 million or 21.4% of the annual amended budget for this category, under the prorated amended budget by \$699,577. Although these costs are slightly under budget, annual lump sum optional benefit plan (OBP) payments paid in January 2022 are included in these costs. Annual leave expense and liability accounts are adjusted each quarter based on the annual leave balances of OCERS employees and are slightly lower at the end of the quarter than at the beginning of the year. In addition, recruitment for the 12 additional positions included in the approved 2022 Staffing Plan is in process and personnel costs will increase as these positions are filled. Personnel costs are expected to be within budget for the year.

### Services and Supplies

Expenditures for services and supplies were approximately \$2.2 million or 16.5% of the annual amended budget for this category. The variance of \$1,139,675 between the prorated amended budget and year-to-date actuals in this category is primarily due to the following (note: under budget differences that are less than \$5,000 have been deemed immaterial and are excluded from the discussion below):

- ∑ Building Property Mgmt./Maintenance costs utilized 26.4% of the annual budget and were slightly higher than the prorated budget by \$10,500. The higher overall cost is primarily due to the funding of 2021 expenses which had not been paid. Maintenance costs do not occur evenly and will fluctuate throughout the year. This category is expected to remain within budget.
- ∑ Due Diligence costs are at 0.1% of the annual budget and lower than the prorated budget by \$24,927. Most of the investment team travel is in this category. This lower than budgeted cost is due to limited in-person meetings and travel occurring during the first quarter. Due diligence meetings have continued to be held by telephone or video conference. Travel is expected to pick up later in the year as travel restrictions related to COVID-19 have lifted.
- ∑ Equipment – Rent and Leases costs are at 14.7% of the annual budget, and lower than the prorated budget by \$5,619. Rents and leases include the costs of the copying machines, and usage was lower due to most team members continuing to work remotely during the first part of the quarter.
- ∑ Equipment/Software expense utilized 17.3% of the annual amended budget, and lower than the prorated budget by \$92,015. The lower than expected expenditures are the result of various projects budgeted for the year which have not been implemented during the first quarter, including the IT Help Desk Solution and Imaging System. These projects are anticipated to begin later in the year.
- ∑ Infrastructure Maintenance costs are at 19.3% of the annual amended budget resulting in an unused prorated budget of \$67,944. The lower than budgeted costs are due to the timing of maintenance agreement renewals, which renew throughout the year, as well as various costs associated with software and hardware support services that are utilized on an as-needed basis.
- ∑ Legal Services are at 14.2% of the budget and are lower than the prorated budget by \$103,794. Legal services for investments, litigation and tax counsel are utilized on an as-needed basis. Investment legal services are below the prorated budget by approximately \$44,000 for the first quarter. General board, tax counsel and outside counsel services are under budget by approximately \$59,000. Other litigation costs budgeted are currently under budget. Total legal fees are not anticipated to exceed the budget for the year but will be closely monitored throughout the year.
- ∑ Meetings and Mileage costs are \$1,878 or 2.8% of the total amended budget, and under the prorated budget by \$14,860. This category represents expenditures related to Board and Committee meetings, as well as team member meetings, which have continued to be virtual during the first quarter. In-person Board and Committee meetings are planned to resume in the second quarter. The utilization of this budget category will start to increase as more in-person meetings resume with the return of team members to the office late in the first quarter and OCERS headquarters re-opening to the public during the second quarter.
- ∑ Memberships expense is at 25.8% of the annual amended budget and slightly above the prorated budget by \$1,178. This overage is due to timing differences as many of the memberships renew in the first quarter of the year. This difference is expected to diminish as the year continues and remain within budget for this category.
- ∑ Office Supplies are at 18.5% of the amended budget and lower than the prorated budget by \$7,114. For most of the first quarter, OCERS team members continued to work remotely resulting in the need for fewer office supplies.
- ∑ Postage is at 48.8% of the annual amended budget and above the prorated budget by \$31,921. The costs are higher due to the mailing of two quarterly newsletters in the first quarter versus one, and the replenishment of postage for the postage meter. No additional postage is expected to be needed

for the year. Postage usage fluctuates based on current needs. This category will be closely monitored throughout the year.

- ∑ Professional Services utilized 15.3% of the annual amended budget and are lower than the prorated budget by \$761,111 due to several consulting and professional services projects incurring little to no costs during the first quarter. Some of the professional services that were under budget include a technical writer; board election costs; external financial auditors; pension administrative system consulting; RPA (robotic process automation) pilot project; as well as other consulting services for human resources and information security. These budgeted services will be utilized later in the year as needed.
- ∑ Telephone and Internet expenditures were 25.8% of the amended budget and over the prorated budget by \$2,409. The increase is the result of additional cell phones required with the implementation of Microsoft 365. Team members can no longer access resources with their personal phones. Additionally, internet service costs have been trending higher than budgeted. This category will be closely monitored as the year progresses.
- ∑ Training and Related Costs are at 6.7% of the annual amended budget and lower than the prorated budget by \$102,987. Training costs are significantly below budget since all travel-related training and conferences have been primarily virtual during the first quarter. Virtual training and conferences are typically less expensive than in-person training or conferences. Conferences requiring travel have started to resume and many team members have plans to attend conferences in the coming months, which will result in an increase in training and related costs.

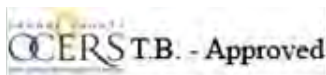
### Capital Expenditures

Capital Expenditures includes \$532,000 for the board room audio/visual equipment project, which incurred \$173,594 as of the end of the first quarter. This project is expected to be completed by the end of the second quarter. The capital expenditures budget also includes project costs of \$250,000 for a new enterprise backup solution to enhance recovery of on-premise and cloud systems; \$200,000 for the data center SANS replacement; and \$110,000 for a planned roof replacement expected to be completed in the second quarter.

### Conclusion:

As of the end of the first quarter, the Administrative budget based on actuals is at 19.27% of the annual budget. As actual administrative expenses are under the annual budget, OCERS complies with the 21 basis point test.

### Submitted by:




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Tracy Bowman, Director of Finance  
Director of Finance



## Memorandum

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**DATE:** May 16, 2022  
**TO:** Members of the Board of Retirement  
**FROM:** Tracy Bowman, Director of Finance  
**SUBJECT:** **FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022**

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### Written Report

#### Background/Discussion

The attached financial statements reflect the unaudited financial activity for the three months ended March 31, 2022. These statements are unaudited and are not the official financial statements of OCERS. The following statements represent a review of the progress to date for the first quarter of 2022. The official financial statements of OCERS are included in the Annual Comprehensive Financial Report (ACFR), which will be available for the year ended December 31, 2021, on our website, [www.ocers.org](http://www.ocers.org), after the completion of the 2021 year-end audit in June 2022.

#### Summary

##### Statement of Fiduciary Net Position (Unaudited)

As of March 31, 2022, the net position restricted for pension, other postemployment benefits and employer is \$21.7 billion, an increase of \$2.2 billion, or 11.3%, from March 31, 2021. The change is a result of an increase in total assets of \$2.2 billion and a decrease in total liabilities of \$5.1 million as described below:

The \$2.2 billion increase in total assets can be attributed to a \$2.6 billion increase in investments at fair value, offset by decreases of \$323.3 million in total cash and short-term investments, a \$30.5 million decrease in total receivables and a \$2.5 million decrease in capital assets.

The decrease of \$323.3 million in cash and short-term investments consists of a decrease of \$318.7 million in cash and cash equivalents due to the timing of investing employee and employer contributions received.

The decrease of \$30.5 million in the receivables balance is primarily related to the timing of pending security sales, which decreased by \$46 million, offset by an increase in investment income receivables of \$12 million.

Investments at fair value increased \$2.6 billion, or 13.1%, from March 31, 2021 to March 31, 2022. The largest increases were in global public equities, private equity, real assets and risk mitigation, which accounted for about \$2.4 billion of the increase. Global equities increased by \$404.2 million, private equity increased by \$1.1 billion, real assets increased by \$509.4 million, and risk mitigation increased by \$373.4 million. Although global public equities reported a year-to-date loss of -6.2% due to pressure from high inflation, the Russia-Ukraine war, Federal rate hikes, and global supply chain disruptions, the one-year rate of return was 5.3%. Private equity came into the

crisis in a well-funded position; a strong exit environment led to significant distributions to OCERS, helping to enhance the performance numbers. Real assets benefited from high oil and energy prices, as well as rising prices in real estate, which are assets used by investors to hedge against inflation. Risk mitigation, designed to protect the portfolio during down periods, returned 5.8% for the quarter and 13.1% for the year, outperforming the benchmark. OCERS total investment portfolio experienced a negative return of -1.8%, and although the first quarter of 2022 was challenging due to macro-economic factors and geopolitical events, the total portfolio reported a one-year return of 11.4% thanks to a strong performance in 2021.

The decrease in capital assets of \$2.5 million from the prior year represents depreciation expense, of which \$2.2 million is attributed to the Pension Administration System Solution (PASS) Project.

Total liabilities decreased \$5.1 million, or -0.4%, from March 31, 2021 to March 31, 2022, primarily due to the timing of securities purchased which decreased \$43 million. The decrease was offset by an increase in unearned contributions of \$38 million due to increases in prepaid employer contributions received for the 2022-2023 prepayment program compared to the prior year's prepayment program.

#### **Statement of Changes in Fiduciary Net Position (Unaudited)**

The ending net position restricted for pension, other postemployment benefits and employer as of March 31, 2022, increased by \$2.2 billion or 11.3%, when compared to the same period ending March 31, 2021.

Total additions to fiduciary net position decreased -194.6% or -\$992.4 million from the previous year. Net investment losses for the three months ended March 31, 2022, were -\$735.3 million versus income of \$278.8 million for the three months ended March 31, 2021, a decrease of -\$1 billion or -363.7%. Most of the decrease is due to the net appreciation/(depreciation) in fair value of investments, which decreased \$1.1 billion from the prior year and was slightly offset by an increase in dividends, interest, and other income of \$89 million. The first quarter in 2022 reported a year-to-date loss of -1.8%, compared to a year-to-date return of 2.7% as of March 31, 2021. Public market portfolios posted negative returns while the private portfolios held up better, with global public equities reporting a year-to-date loss of -6.2% and private equities reporting a year-to-date return of 4.6%. As mentioned previously, significant distributions from the private equity class helped enhance performance. Core fixed income reported a year-to-date loss of -4.5%; the bond asset class had its worst quarter in 20 years due to high inflation and aggressive interest rate hikes, which hit longer duration bonds harder. Credit reported a year-to-date loss of -1.6% and high yield bonds held up better in the first quarter of 2022 thanks to the income component. Total investment fees and expenses increased by \$5.9 million in March 2022 primarily due to an increase in investment management fees attributed to the addition of over 30 new investment managers since March 2021.

Total contributions increased \$21.8 million over the prior year mainly due to employer contributions which increased \$22.2 million over the prior year. This increase can be attributed to an increase in employer contribution rates, offset by decreases of approximately \$484,000 in employee contributions to the pension plan. This decrease is attributed to the reduction and/or gradual phase-out of employee reverse pick-up rates for various OCEA represented employees.

Total deductions from fiduciary net position increased 6.6%, or \$17.7 million, from the previous year. Participant benefits increased by \$16.8 million, which is expected due to the continued growth in member pension benefit

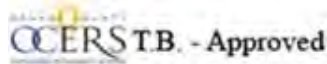
payments, both in the total number of OCERS' retired members receiving a pension benefit and an increase in the average benefit received. In March 2022, there were 19,677 payees with an average benefit payment of \$4,486 compared to 19,170 payees with an average benefit payment of \$4,345 in March 2021. Death benefits and members withdrawals and refunds increased and changes in these categories will fluctuate from year-to-year based on the occurrence of these events.

#### **Other Supporting Schedules**

In addition to the basic financial statements for the three months ended March 31, 2022, the following supporting schedules are provided for additional information pertaining to OCERS:

- Total Plan Reserves
- Schedule of Contributions
- Schedule of Investment Expenses
- Schedule of Administrative Expenses
- Administrative Expense Compared to Actuarial Accrued Liability

#### **Submitted by:**



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Tracy Bowman  
Director of Finance





# Orange County Employees Retirement System

## Unaudited Financial Statements

For the Three Months Ended March 31, 2022

# Orange County Employees Retirement System

## Unaudited Financial Statements For the Three Months Ended March 31, 2022

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# Statement of Fiduciary Net Position (Unaudited)

As of March 31, 2022

(with summarized comparative amounts as of March 31, 2021)

(Dollars in Thousands)

	<b>Pension Trust Fund</b>	<b>Health Care Fund- County</b>	<b>Health Care Fund- OCFA</b>	<b>Custodial Fund - OCTA</b>	<b>Total Funds</b>	<b>Comparative Totals 2021</b>
<b>Assets</b>						
Cash and Short-Term Investments						
Cash and Cash Equivalents	\$ 606,556	\$ 13,302	\$ 1,627	\$ 296	\$ 621,781	\$ 940,457
Securities Lending Collateral	<u>248,217</u>	<u>5,443</u>	<u>666</u>	<u>-</u>	<u>254,326</u>	<u>258,960</u>
Total Cash and Short-Term Investments	854,773	18,745	2,293	296	876,107	1,199,417
Receivables						
Investment Income	28,549	626	77	-	29,252	17,299
Securities Sales	82,864	1,817	222	-	84,903	130,885
Contributions	19,268	-	-	-	19,268	17,654
Foreign Currency Forward Contracts	682	15	2	-	699	-
Other Receivables	<u>5,663</u>	<u>124</u>	<u>15</u>	<u>-</u>	<u>5,802</u>	<u>4,547</u>
Total Receivables	137,026	2,582	316	-	139,924	170,385
Investments at Fair Value						
Global Public Equity	9,798,590	214,881	26,284	14,136	10,053,891	9,649,673
Private Equity	3,340,498	73,256	8,961	-	3,422,715	2,277,299
Core Fixed Income	2,263,705	49,643	6,072	5,679	2,325,099	2,362,384
Credit	1,597,247	35,027	4,285	-	1,636,559	1,493,956
Real Assets	2,366,020	51,886	6,347	-	2,424,253	1,914,883
Risk Mitigation	2,047,861	44,909	5,493	-	2,098,263	1,724,857
Absolute Return	-	-	-	-	-	222
Unique Strategies	<u>69,850</u>	<u>1,532</u>	<u>187</u>	<u>-</u>	<u>71,569</u>	<u>53,113</u>
Total Investments at Fair Value	21,483,771	471,134	57,629	19,815	22,032,349	19,476,387
Capital Assets, Net	<u>10,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,589</u>	<u>13,069</u>
<b>Total Assets</b>	<b><u>22,486,159</u></b>	<b><u>492,461</u></b>	<b><u>60,238</u></b>	<b><u>20,111</u></b>	<b><u>23,058,969</u></b>	<b><u>20,859,258</u></b>
<b>Liabilities</b>						
Obligations Under Securities Lending Program	248,216	5,443	666	-	254,325	258,960
Securities Purchased	167,895	3,682	450	-	172,027	214,972
Unearned Contributions	793,843	-	-	-	793,843	755,842
Foreign Currency Forward Contracts	912	20	2	-	934	1,137
Retiree Payroll Payable	85,696	4,857	841	-	91,394	86,658
Other	<u>26,114</u>	<u>573</u>	<u>70</u>	<u>-</u>	<u>26,757</u>	<u>26,769</u>
Total Liabilities	<u>1,322,676</u>	<u>14,575</u>	<u>2,029</u>	<u>-</u>	<u>1,339,280</u>	<u>1,344,338</u>
<b>Net Position Restricted for Pension, Other Postemployment Benefits and Employer</b>	<b><u>\$21,163,483</u></b>	<b><u>\$ 477,886</u></b>	<b><u>\$ 58,209</u></b>	<b><u>\$ 20,111</u></b>	<b><u>\$21,719,689</u></b>	<b><u>\$19,514,920</u></b>

# Statement of Changes in Fiduciary Net Position (Unaudited)

For the Three Months Ended March 31, 2022

(with summarized comparative amounts for the Three Months Ended March 31, 2021)

(Dollars in Thousands)

	Pension Trust Fund	Health Care Fund- County	Health Care Fund- OCFA	Custodial Fund - OCTA	Total Funds	Comparative Totals 2021
<b>Additions</b>						
Contributions						
Employer	\$ 175,305	\$ 9,742	\$ 1,390	\$ -	\$ 186,437	\$ 164,220
Employee	66,264	-	-	-	66,264	66,748
Employer OPEB Contributions	-	-	-	171	171	138
Total Contributions	241,569	9,742	1,390	171	252,872	231,106
Investment Income						
Net Appreciation/(Depreciation) in Fair Value of Investments	(855,870)	(11,878)	(1,451)	(1,148)	(870,347)	217,147
Dividends, Interest, & Other Investment Income	165,458	3,628	444	-	169,530	90,219
Securities Lending Income						
Gross Earnings	230	5	1	-	236	271
Less: Borrower Rebates and Bank Charges	(67)	(1)	-	-	(68)	(51)
Net Securities Lending Income	163	4	1	-	168	220
Total Investment Income/(Loss)	(690,249)	(8,246)	(1,006)	(1,148)	(700,649)	307,586
Investment Fees and Expenses	(33,858)	(742)	(91)	(1)	(34,692)	(28,777)
Net Investment Income/(Loss)	(724,107)	(8,988)	(1,097)	(1,149)	(735,341)	278,809
<b>Total Additions</b>	<b>(482,538)</b>	<b>754</b>	<b>293</b>	<b>(978)</b>	<b>(482,469)</b>	<b>509,915</b>
<b>Deductions</b>						
Participant Benefits	266,815	9,195	1,534	-	277,544	260,770
Death Benefits	179	-	-	-	179	85
Member Withdrawals and Refunds	3,615	-	-	-	3,615	3,243
Employer OPEB Payments	-	-	-	362	362	350
Administrative Expenses	5,552	5	6	6	5,569	5,146
<b>Total Deductions</b>	<b>276,161</b>	<b>9,200</b>	<b>1,540</b>	<b>368</b>	<b>287,269</b>	<b>269,594</b>
Net Increase/(Decrease)	(758,699)	(8,446)	(1,247)	(1,346)	(769,738)	240,321
Net Position Restricted For Pension, Other Postemployment Benefits and Employer, Beginning of Year	21,922,182	486,332	59,456	21,457	22,489,427	19,274,599
<b>Ending Net Position Restricted For Pension, Other Postemployment Benefits and Employer</b>	<b>\$ 21,163,483</b>	<b>\$ 477,886</b>	<b>\$ 58,209</b>	<b>\$ 20,111</b>	<b>\$ 21,719,689</b>	<b>\$ 19,514,920</b>

# Total Plan Reserves

For the Three Months Ended March 31, 2022

(with summarized comparative amounts for the Three Months Ended March 31, 2021)

(Dollars in Thousands)

	2022	2021
Pension Reserve	\$ 11,141,706	\$ 10,477,496
Employee Contribution Reserve	3,730,190	3,518,472
Employer Contribution Reserve	3,294,909	3,039,095
Annuity Reserve	2,333,248	2,155,643
Health Care Reserve	536,095	459,165
Custodial Fund Reserve	20,111	19,833
County Investment Account (POB Proceeds) Reserve	159,915	161,742
OCSD UAAL Deferred Reserve	15,643	13,433
Contra Account and Actuarial Deferred Return	<u>487,872</u>	<u>(329,959)</u>
<b>Total Net Position Restricted for Penion, Other Postemployment Benefits and Employer</b>	<b><u>\$ 21,719,689</u></b>	<b><u>\$ 19,514,920</u></b>

# Schedule of Contributions

For the Three Months Ended March 31, 2022

(with summarized comparative amounts for the Three Months Ended March 31, 2021)

(Dollars in Thousands)

	2022		2021	
	Employee	Employer	Employee	Employer
<b>Pension Trust Fund Contributions</b>				
County of Orange	\$ 49,455	\$ 137,785	\$ 50,254	\$ 126,045
Orange County Fire Authority	7,583	23,799 <sup>1</sup>	7,329	23,397 <sup>1</sup>
Orange County Superior Court of California	3,639	9,853	3,839	8,862
Orange County Transportation Authority	2,702	7,845	2,452	7,148
Orange County Sanitation District	2,077	2,126	2,060	2,107
Orange County Employees Retirement System	291	885	302	809
UCI - Medical Center and Campus	-	837 <sup>2</sup>	-	804 <sup>2</sup>
City of San Juan Capistrano	146	507	179	599
Transportation Corridor Agencies	211	242	179	205
Orange County Department of Education	-	120 <sup>2</sup>	-	112 <sup>2</sup>
Orange County Cemetery District	45	64	43	52
Orange County Local Agency Formation Commission	13	54	10	40
Orange County In-Home Supportive Services Public Authority	34	46	30	39
Children and Families Commission of Orange County	28	44	33	45
Orange County Public Law Library	40	32	38	34
Contributions Before Prepaid Discount	66,264	184,239	66,748	170,298
Prepaid Employer Contributions Discount	-	(8,934)	-	(6,516)
<b>Total Pension Trust Fund Contributions</b>	<b>66,264</b>	<b>175,305</b>	<b>66,748</b>	<b>163,782</b>
<b>Health Care Fund - County Contributions</b>	-	9,742	-	-
<b>Health Care Fund - OCFA Contributions</b>	-	1,390	-	438
<b>Custodial Fund - OCTA OPEB Contributions</b>	-	171	-	138
<b>Total Contributions</b>	<b>\$ 66,264</b>	<b>\$ 186,608</b>	<b>\$ 66,748</b>	<b>\$ 164,358</b>

<sup>1</sup> Unfunded actuarial accrued liability payments were made in 2022 for \$2.6 million and 2021 for \$3.2 million for the Orange County Fire Authority.

<sup>2</sup> Unfunded actuarial accrued liability payments have been made in accordance with a separate 20-year level dollar payment schedule to include liabilities for employee benefits related to past service credit.

# Schedule of Investment Expenses

For the Three Months Ended March 31, 2022

(with summarized comparative amounts for the Three Months Ended March 31, 2021)

(Dollars in Thousands)

	2022	2021
<b>Investment Management Fees*</b>		
Global Public Equity	\$ 4,219	\$ 3,987
Core Fixed Income	672	662
Credit	2,752	2,519
Real Assets	7,818	6,683
Absolute Return	-	1
Private Equity	9,183	6,497
Risk Mitigation	3,984	2,880
Unique Strategies	271	-
Short-Term Investments	48	49
<b>Total Investment Management Fees</b>	<b>28,947</b>	<b>23,278</b>
<b>Other Fund Expenses<sup>1</sup></b>	<b>4,285</b>	<b>4,093</b>
<b>Other Investment Expenses</b>		
Consulting/Research Fees	572	487
Investment Department Expenses	631	731
Legal Services	106	37
Custodian Services	145	145
Investment Service Providers	5	5
<b>Total Other Investment Expenses</b>	<b>1,459</b>	<b>1,405</b>
<b>Security Lending Activity</b>		
Security Lending Fees	44	60
Rebate Fees	24	(9)
<b>Total Security Lending Activity</b>	<b>68</b>	<b>51</b>
<b>Custodial Fund - OCTA Investment Fees and Expenses</b>	<b>1</b>	<b>1</b>
<b>Total Investment Expenses</b>	<b>\$ 34,760</b>	<b>\$ 28,828</b>

\* Does not include undisclosed fees deducted at source.

<sup>1</sup> These costs include, but are not limited to, foreign income tax and other indirect flow-through investment expenses such as organizational expenses in limited partnership structures.

# Schedule of Administrative Expenses

For the Three Months Ended March 31, 2022

(with summarized comparative amounts for the Three Months Ended March 31, 2021)

(Dollars in Thousands)

	2022	2021
<b>Pension Trust Fund Administrative Expenses</b>		
Expenses Subject to the Statutory Limit		
Personnel Services		
Employee Salaries and Benefits	\$ 3,510	\$ 3,371
Board Members' Allowance	4	4
Total Personnel Services	<u>3,514</u>	<u>3,375</u>
Office Operating Expenses		
Depreciation/Amortization	651	644
Professional Services	308	433
General Office and Administrative Expenses	472	317
Rent/Leased Real Property	<u>206</u>	<u>167</u>
Total Office Operating Expenses	<u>1,637</u>	<u>1,561</u>
Total Expenses Subject to the Statutory Limit	<u>5,151</u>	<u>4,936</u>
Expenses Not Subject to the Statutory Limit		
Information Technology Professional Services	65	106
Information Security Professional Services	19	14
Finance Professional Services	25	-
Actuarial Fees	97	42
Equipment/Software	<u>195</u>	<u>30</u>
Total Expenses Not Subject to the Statutory Limit	<u>401</u>	<u>192</u>
<b>Total Pension Trust Fund Administrative Expenses</b>	<b>5,552</b>	<b>5,128</b>
<b>Health Care Fund - County Administrative Expenses</b>	<b>5</b>	<b>6</b>
<b>Health Care Fund - OCFA Administrative Expenses</b>	<b>6</b>	<b>6</b>
<b>Custodial Fund - OCTA Administrative Expenses</b>	<u><b>6</b></u>	<u><b>6</b></u>
<b>Total Administrative Expenses</b>	<u><u><b>\$ 5,569</b></u></u>	<u><u><b>\$ 5,146</b></u></u>



# Administrative Expense Compared to Actuarial Accrued Liability

For the Three Months Ended March 31, 2022

(Dollars in Thousands)

Actuarial Accrued Liability (AAL) as of 12/31/21	\$ 24,016,073
Maximum Allowed for Administrative Expense (AAL * 0.21%)	50,434
Actual Administrative Expense <sup>1</sup>	<u>5,151</u>
<b>Excess of Allowed Over Actual Expense</b>	<b><u>\$ 45,283</u></b>
Actual Administrative Expense for the three months ended 3/31/22 as a Percentage of Actuarial Accrued Liability as of 12/31/21	0.02%
Actual Administrative Expense for the year ended 12/31/21 as a Percentage of Actuarial Accrued Liability as of 12/31/21	0.08%
<sup>1</sup> Administrative Expense Reconciliation	
Administrative Expense per Statement of Changes in Fiduciary Net Position	\$ 5,552
Less: Administrative Expense Not Considered per CERL Section 31596.1	<u>(401)</u>
<b>Administrative Expense Allowable Under CERL Section 31580.2</b>	<b><u>\$ 5,151</u></b>