

## Assembly Bill No. 256

### CHAPTER 708

An act to add Sections 20432.6 and 22849 to, and to add and repeal Section 31485.12 of, the Government Code, relating to public employees' benefits.

[Approved by Governor October 7, 2005. Filed with  
Secretary of State October 7, 2005.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 256, De La Torre. Public employees' benefits.

(1) The Public Employees' Retirement Law defines "local sheriff" for purposes of prescribing benefits and contribution rates, to include any officer or employee of a sheriff's office of a contracting agency, except specified persons whose functions do not fall within the scope of active law enforcement service.

This bill would expand the definition of "local sheriff" to include district attorney investigators of Solano County, subject to specified conditions.

(2) The Public Employees' Medical and Hospital Care Act provides health benefit coverage to state employees and public employees of contracting agencies, as specified, and is administered by the Board of Administration of the Public Employees' Retirement System.

This bill would require the Board of Administration of the Public Employees' Retirement System to conduct a study to examine the feasibility and cost-effectiveness of creating a single statewide health care pool that would cover all public school employees working in school districts, county offices of education, community colleges, and entities established by those school employers, as specified, or of including all school employees under the Public Employees' Medical and Hospital Care Act, and to report that study to the Legislature, as specified. The bill would also provide that completion of the health care study would be contingent upon the ability to secure or budget for funding to cover the costs. The bill would make specified findings and declarations.

(3) The County Employees Retirement Law of 1937 prohibits any resolution, ordinance, contract, or contract amendment adopted after January 1, 2004, from providing any retirement benefits for some, but not all, general members of a county or district, except as specified. In San Mateo County, and in Alameda and Merced Counties until January 1, 2010, however, the board of supervisors may provide different retirement benefits for some, but not all, safety members of the county's retirement system, as specified.

This bill would authorize, until January 1, 2011, the board of supervisors in Santa Barbara and Solano Counties to provide different

retirement benefits for some safety member bargaining units of the county retirement system, as specified. Pursuant to these provisions, the bill would permit agreements and memoranda of understanding to be made applicable to certain unrepresented groups, as specified.

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

SECTION 1. The Legislature hereby finds and declares, with respect to Section 3 of this act, all of the following:

(a) There are over 6,000,000 children and nonelderly adults living in California who have no health insurance.

(b) More than eight in 10 uninsured adults and children are in working families, including half who are in families with at least one adult employed full-time.

(c) According to a recent study, the annual cost of health insurance for a California family of four is now equivalent to 75 percent of the annual earnings of a fully employed minimum wage worker.

(d) California health insurance premiums increased 11.4 percent on average in 2004, more than six times the state's inflation of 1.7 percent.

(e) As health care costs increase, employers are shifting more of the costs to employees, who are paying more of their earnings for increased health care premium costs, deductibles, and copayments.

(f) California's health care crisis can also be seen in our schools where there are over 100,000 school employees without any health insurance.

(g) The majority of school employees who have no health coverage are the lowest wage earners in the schools, are overwhelmingly women, and many of them are minorities.

(h) School employees who are uninsured are usually uninsured because they are not given enough hours to qualify or the premiums are so high that they cannot afford the health coverage.

(i) Many school employees who are uninsured earn such modest incomes that their children qualify for the Healthy Families Program.

(j) There are over 1,000 school districts in California, and many of them purchase their own health plans, join with other school districts to purchase health care, or purchase health insurance for their employees through the Public Employees' Medical and Hospital Care Act (Part 5 (commencing with Section 22750) of Division 5 of Title 2 of the Government Code) (PEMHCA).

(k) There are hundreds of different health care plans that are administered for school employees statewide. There is no single health care pool for all public school employees.

SEC. 2. Section 20432.6 is added to the Government Code, to read:

20432.6. (a) "Local sheriff" also means a regularly employed district attorney investigator of Solano County whose principal duties are to investigate crime and criminal cases, if the district attorney investigator is

a member of the deputy sheriffs' bargaining unit in the county or the judicial district.

(b) An officer or employee who is a local sheriff as defined in this section is not a county peace officer as defined in Section 20436 or 20437.

(c) This section does not apply to the employees of any contracting agency or to the agency, unless the contracting agency elects to be subject to this section by amendment to its contract with the board, made as provided in Section 20474, or by express provision in its contract with the board.

SEC. 3. Section 22849 is added to the Government Code, to read:

22849. (a) The board shall conduct a study to examine the feasibility and cost-effectiveness of creating a single statewide health care pool that would cover all public school employees working in school districts, county offices of education, community colleges, and in entities created or established by those school employers, including, but not limited to, joint powers agencies, regional occupational centers, and regional occupational programs.

(b) The health care school pool study shall, at a minimum, include the following:

(1) A review and analysis of the costs, cost savings, benefits, and drawbacks of creating a health care pool for all public school employees in California, including retirees.

(2) An analysis of rates, including both a regional rating structure and a single statewide rating structure.

(3) An analysis and reporting of any and all cost savings in the administration of a single health care pool for all school employees compared to the current process that includes hundreds of different plans.

(4) An examination of plan design options in the health care school pool.

(5) An analysis of the feasibility and cost savings of including all school employees under this part, as the health care pool for all school employees.

(6) An analysis of the feasibility and cost savings of creating a pool operated exclusively for school employees.

(7) An analysis and comparison of a mandatory pool versus a voluntary pool.

(c) The completion of the health care school pool study shall be contingent upon the ability to secure or budget for funding to cover the costs of the study. The completed study shall be reported to the Legislature within one year after funding is secured or budgeted.

(d) The board shall consult with the Teachers' Retirement Board of the State Teachers' Retirement System in preparing the study.

SEC. 4. Section 31485.12 is added to the Government Code, to read:

31485.12. (a) Notwithstanding any other provision of law, in a county of the 16th class, as defined in Sections 28020 and 28037, or a county of the 22nd class, as defined in Sections 28020 and 28043, each as amended by Chapter 1204 of the Statutes of 1971, the board of supervisors may, by

resolution, ordinance, contract, or contract amendment under this chapter, provide different retirement benefits for some safety member bargaining units within the safety member classification of a county retirement system.

(b) The resolution, ordinance, contract, or contract amendment described in subdivision (a) may provide a different formula for calculation of retirement benefits, by making any section of this chapter applicable to different safety bargaining units within the safety member classification, applicable to service credit earned on and after the date specified in the resolution, which date may be earlier than the date the resolution is adopted. The terms of an agreement or memorandum of understanding reached with a recognized employee organization, pursuant to this subdivision, may be made applicable by the board of supervisors to any unrepresented group within the same or similar membership classification as the employees represented by the recognized employee organization or bargaining unit.

(c) A resolution, ordinance, contract, or contract amendment adopted pursuant to this section may require members to pay all or part of the contributions by a member or employer, or both, that would have been required if the section or sections specified in subdivision (b), as adopted by the board or governing body, had been in effect during the period of time designated in the resolution, ordinance, contract, or contract amendment. The payment by a member shall become part of the accumulated contributions of the member. For those members who are represented by a bargaining unit, the payment requirement shall be approved in a memorandum of understanding executed by the board of supervisors and the employee representatives.

(d) This section shall only apply to members who retire on or after the effective date of the resolution, ordinance, contract, or contract amendment described in subdivision (a) or (b) or on or after the date provided in the memorandum of understanding described in subdivision (c).

(e) The board of supervisors, in the resolution, ordinance, contract, or contract amendment described in subdivision (a), shall not require that a bargaining unit be divided solely for the purpose of providing different retirement benefits. However, if the members of a bargaining unit within the same or similar membership classification so elect, retirement benefits may be separately negotiated with that bargaining unit.

(f) This section shall remain in effect only until January 1, 2011, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2011, deletes or extends that date.