

AMENDED IN SENATE AUGUST 19, 2010

AMENDED IN SENATE JUNE 22, 2010

AMENDED IN SENATE JULY 1, 2009

AMENDED IN ASSEMBLY JUNE 2, 2009

AMENDED IN ASSEMBLY APRIL 30, 2009

AMENDED IN ASSEMBLY APRIL 13, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 609

Introduced by Assembly Member Conway

February 25, 2009

An act to amend ~~Sections 31580.2 and 31580.3 of Section 31580.2 of, and to repeal Section 31580.3 of,~~ the Government Code, relating to county employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 609, as amended, Conway. County employees retirement: administrative costs.

The County Employees Retirement Law of 1937 requires a board of retirement, or a board of retirement and the board of investment, with appointed members to annually adopt a budget covering the entire expense of administration of the retirement system and prohibits the expense incurred in any year from exceeding $\frac{18}{100}$ of 1% of the total assets of the retirement system. *Existing law provides that expenditures for legal services or costs of litigation are not considered to be a cost of administration of the retirement system. Existing law prohibits expenses incurred in any year for expenditures for computer software*

and hardware and computer technology consulting services, in support of these products, from exceeding the greater of the sum of $\frac{18}{100}$ of 1% of the total assets of the retirement system plus \$1,000,000 or $\frac{23}{100}$ of 1% of the total assets of the retirement system.

This bill would—instead prohibit expenses for the costs of administration of the retirement system incurred in any year from exceeding $\frac{25}{100}$ the greater of $\frac{21}{100}$ of 1% of the accrued actuarial liability of the retirement system or \$2,000,000, as adjusted annually by a specified annual cost-of-living adjustment. This bill would eliminate the exclusion of expenditures for legal services and costs of litigation from the costs of administration of the retirement system and would, instead, exclude from those costs of administration expenditures for computer software and hardware and computer technology consulting services in support of these products. The bill would also make a conforming change regarding maximum expense in any year the expenditures include certain computer expenses.

Vote: majority. Appropriation: no. Fiscal committee: no.
 State-mandated local program: no.

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

1 SECTION 1. Section 31580.2 of the Government Code is
 2 amended to read:
 3 31580.2. ~~(A)~~*(a)* In counties in which the board of retirement,
 4 or the board of retirement and the board of investment, have
 5 appointed personnel pursuant to Section ~~31522.1 or 31522.5, or~~
 6 ~~both, 31522.1, 31522.5, or 31522.7,~~ the respective board or boards
 7 shall annually adopt a budget covering the entire expense of
 8 administration of the retirement system which expense shall be
 9 charged against the earnings of the retirement fund. ~~Except as~~
 10 ~~described in Section 31580.3, the~~ *The expense incurred in any*
 11 *year may not exceed—twenty-five the greater of either of the*
 12 *following:*
 13 *(1) Twenty-one hundredths of 1 percent of the accrued actuarial*
 14 *liability of the retirement system.*
 15 *(2) Two million dollars (\$2,000,000), as adjusted annually by*
 16 *the amount of the annual cost-of-living adjustment computed in*
 17 *accordance with Article 16.5 (commencing with Section 31870).*
 18 ~~(b) Expenditures for legal services or costs of litigation computer~~
 19 *software, computer hardware, and computer technology consulting*

1 *services in support of these computer products* shall not be
2 considered a cost of administration of the retirement system for
3 purposes of this section.

4 ~~SEC. 2. Section 31580.3 of the Government Code is amended~~
5 ~~to read:~~

6 ~~31580.3.—(a) If during any year the expense of administration~~
7 ~~of the retirement system includes expenditures for software,~~
8 ~~hardware, and computer technology consulting services in support~~
9 ~~of that software or hardware, the expense incurred may not exceed~~
10 ~~the greater of the following:~~

11 ~~(1) The sum of twenty-five hundredths of 1 percent of the~~
12 ~~accrued actuarial liability of the retirement system plus one million~~
13 ~~dollars (\$1,000,000).~~

14 ~~(2) Twenty-three hundredths of 1 percent of the accrued actuarial~~
15 ~~liability of the retirement system.~~

16 ~~(b) This section shall remain in effect only until January 1, 2013,~~
17 ~~and as of that date is repealed, unless a later enacted statute, that~~
18 ~~is enacted before January 1, 2013, deletes or extends that date.~~

19 ~~SEC. 2. Section 31580.3 of the Government Code is repealed.~~

20 ~~31580.3.—(a) If during any year the expense of administration~~
21 ~~of the retirement system includes expenditures for software,~~
22 ~~hardware, and computer technology consulting services in support~~
23 ~~of that software or hardware, the expense incurred may not exceed~~
24 ~~the greater of the following:~~

25 ~~(1) The sum of eighteen hundredths of 1 percent of the total~~
26 ~~assets of the retirement system plus one million dollars~~
27 ~~(\$1,000,000).~~

28 ~~(2) Twenty-three hundredths of 1 percent of the total assets of~~
29 ~~the retirement system.~~

30 ~~(b) This section shall remain in effect only until January 1, 2013,~~
31 ~~and as of that date is repealed, unless a later enacted statute, that~~
32 ~~is enacted before January 1, 2013, deletes or extends that date.~~