

Introduced by Senator HarmanFebruary 18, 2011

An act to add and repeal Section 7503.1 of the Government Code, relating to public retirement systems.

LEGISLATIVE COUNSEL'S DIGEST

SB 689, as introduced, Harman. Public retirement systems.

Existing law requires all state and local public retirement systems to prepare an annual report in accordance with generally accepted accounting principles.

The bill would, until January 1, 2016, require all state and local public retirement systems to file an annual report with the Legislature, the Department of Finance, and the Legislative Analyst's Office that would include specified information about any retired member who receives a pension of \$100,000 or more annually.

The bill would express a legislative finding and declaration that to ensure the security of the University of California funds, including retirement funds, it is necessary for this act to apply to the University of California.

The bill would also express a legislative finding and declaration that to ensure the statewide integrity of local government, to cultivate an attractive business climate, and to improve the sufficiency of local public safety services, the disclosure of generous pensions paid to public retirees is an issue of statewide concern and not a municipal affair, and that therefore, all cities, including charter cities, would be subject to the provisions of the bill.

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

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

1 SECTION 1. Section 7503.1 is added to the Government Code,
2 to read:

3 7503.1. (a) In addition to the report required by Section 7503,
4 all state and local public retirement systems, including those of
5 the University of California, charter cities, and charter counties,
6 shall file an annual report with the Legislature, the Department of
7 Finance, and the Legislative Analyst's Office that includes the
8 following information regarding any retired member who receives
9 a pension of one hundred thousand dollars (\$100,000) or more
10 annually:

11 (1) The classification from which the member retired.

12 (2) The department or agency from which the member retired.

13 (3) The amount of the pension that the member receives
14 annually.

15 (b) (1) The report to the Legislature shall be submitted in
16 compliance with Section 9795.

17 (2) Pursuant to Section 10231.5, this section shall remain in
18 effect only until January 1, 2016, and as of that date is repealed,
19 unless a later enacted statute, that is enacted before January 1,
20 2016, deletes or extends that date.

21 SEC. 2. The Legislature finds and declares the following:

22 (a) To ensure the security of the University of California funds,
23 including retirement funds, it is necessary for this act to apply to
24 the University of California.

25 (b) The security of public moneys and the fiscal integrity of
26 local governmental agencies in this state, including charter cities,
27 have a direct impact on the long-term well-being of all residents
28 of this state. A functioning, transparent, and practical governmental
29 structure is critical to businesses either staying in or relocating to
30 California. Further, local governments that are incapacitated by
31 excessively generous pension obligations have difficulty providing
32 sufficient public safety services and place additional resourcing
33 burdens on the state. Accordingly, the Legislature finds and
34 declares that to ensure the statewide integrity of local government,
35 to cultivate an attractive business climate, and to improve the
36 sufficiency of local public safety services, the disclosure of
37 generous pensions paid to public retirees is an issue of statewide
38 concern and not a municipal affair, as that term is used in Section

1 5 of Article XI of the California Constitution. Therefore, this act
2 shall apply to all cities, including charter cities.

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