

ASSEMBLY BILL

No. 2348

**Introduced by Assembly Member Levine
(Coauthors: Assembly Members Bonta, Dahle, Eggman, Gomez,
and Nazarian)**

February 18, 2016

An act to add Section 13314 to the Government Code, relating to state government, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2348, as introduced, Levine. Department of Finance: infrastructure investment.

Existing law creates the Department of Finance and provides that the department has general powers of supervision over all matters concerning the financial and business policies of the state.

The Public Employees' Retirement Law (PERL) creates the Public Employees' Retirement System (PERS) and provides a defined benefit to its members based on age at retirement, service credit, and final compensation. PERL vests management and control of PERS in the Board of Administration of the Public Employees' Retirement System, including the exclusive control of the investment of the retirement fund, and requires the board and its officers and employees to discharge their duties with respect to this system solely in the interest of the participants and beneficiaries.

The Teachers' Retirement Law creates the State Teachers' Retirement System and State Teachers' Retirement Plan for the purpose of providing teachers and other specified employees with financially sound retirement plans. The law provides for the administration of the system and the plan by the Teachers' Retirement Board and requires the board and its

officers to discharge their duties with respect to the system and the plan solely in the interest of the members and beneficiaries.

The County Employees Retirement Law of 1937 authorizes counties and districts to establish retirement systems for their employees and vests management of the retirement system in the board of retirement.

This bill would authorize the Department of Finance to identify infrastructure projects in the state for which the department will guarantee a rate of return on investment for an investment made in that infrastructure project by the Public Employment Retirement System, the State Teachers' Retirement Plan, or the retirement system created pursuant to the County Employees Retirement Law of 1937. The bill would create the Reinvesting in California Special Fund as a continuously appropriated fund and would require the moneys in the fund to be used to pay the rate of return on investment. The bill would require the rate of return on investment to be subject to the availability of moneys in the fund. The bill would also state the intent of the Legislature to identify special funds to be transferred into the fund for the purposes of these provisions. By creating a new continuously appropriated fund, this bill would make an appropriation.

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

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

1 SECTION 1. Section 13314 is added to the Government Code,
2 to read:
3 13314. (a) The Department of Finance may, subject to
4 subdivision (c), evaluate and identify infrastructure projects in the
5 state for which the department shall guarantee a rate of return on
6 investment for an investment made in that infrastructure project
7 by the Public Employment Retirement System, the State Teachers'
8 Retirement Plan, or the retirement system created pursuant to the
9 County Employees Retirement Law of 1937 (Chapter 3
10 (commencing with Section 31450) of Part 3 of Division 4 of Title
11 3).
12 (b) There is hereby established in the State Treasury the
13 Reinvesting in California Special Fund. Notwithstanding Section
14 13340 all moneys in the fund shall be continuously appropriated
15 without regard to fiscal years. The moneys in the fund shall be

1 used to pay the rate of return on investment provided for in
2 subdivision (a).

3 (c) The rate of return on investment in subdivision (a) shall be
4 subject to the availability of moneys in the Reinvesting in
5 California Special Fund.

6 (d) No General Fund moneys shall be deposited into the fund.

7 It is the intent of the Legislature to, through the Budget Act or
8 other measure, identify and deposit into the fund, special fund
9 moneys including trust fund moneys that are otherwise legally
10 available for these purposes.