

March 8, 2021

TO: Insurance, Benefits and Legislative Committee
Les Robbins, Chair
Vivian H. Gray, Vice Chair
Shawn R. Kehoe
Ronald A. Okum
Wayne Moore, Alternate

SUBJECT: Insurance, Benefits and Legislative Committee Meeting on March 11, 2021—Green Folder Items

Following you will find the Green Folder items for the above-mentioned meeting:

- 1) **Item III.A—Legislative Process Presentation (Legislative Process in California)**
Slide 4 has been updated.
- 2) **Item III.A—Legislative Process Presentation (Briefing for LACERA on Federal Legislative Process)**
A new Slide 2 has been added. Slide 3 (formerly Slide 2) has been updated.



Insurance, Benefits and Legislative Committee

Joe Ackler | Ackler & Associates

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March 11, 2021

Legislative Process in California:



March 11, 2021

The California Legislature:



- State Senate: 40 Members
- Super Majority Democrats:
 - 30 Democrats
 - 9 Republicans
 - 1 Vacancy
- State Assembly: 80 Members
- Super Majority Democrats:
 - 59 Democrats
 - 19 Republicans
 - 1 Independent
 - 1 Vacancy
- Two Year Legislative Sessions, Odd-Number Year is First Year of Session
- 22 Policy Committees in the Senate
- 33 Policy Committees in the Assembly

Idea to Bill to Law

- Drafting
- The Author
- Introduction
 - Bill Receives Number
- Committee Hearing
 - Pass
 - Amend
 - Hold
 - Kill
- Floor Vote
 - Floor Debate and Vote
 - Bills require 21 Votes in the Senate and 41 in the Assembly
- Repeat Process in the Other House
- Concurrence
- Governor
 - Sign
 - Allow without Signing
 - Veto



LACERA's Focus



- The Senate Labor, Public Employment & Retirement Committee - 5 Members
 - Chair, Senator Dave Cortese (D. – San Jose)
 - Principle Consultant
- The Assembly Public Employment & Retirement Committee – 7 Members
 - Chair, Assembly Member Jim Cooper (D. – Elk Grove)
 - Chief Consultant
- The Los Angeles County Delegation – 10 Senators, 20 Assembly Members

Questions & Answers



March 11, 2021

Thank You

LACERA



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Briefing for LACERA on Federal Legislative Process

March 11, 2021

HOW DOES A BILL BECOME A LAW?

1 EVERY LAW STARTS WITH AN IDEA

That idea can come from anyone, even you! Contact your elected officials to share your idea. If they want to try to make it a law, they will write a bill.

2 THE BILL IS INTRODUCED

A bill can start in either house of Congress when it's introduced by its primary sponsor, a Senator or a Representative. In the House of Representatives, bills are placed in a wooden box called "the hopper."



Here, the bill is assigned a legislative number before the Speaker of the House sends it to a committee.

3 THE BILL GOES TO COMMITTEE

Representatives or Senators meet in a small group to research, talk about, and make changes to the bill. They vote to accept or reject the bill and its changes before sending it to:

the House or Senate floor for debate or to a subcommittee for further research.

4 CONGRESS DEBATES AND VOTES

Members of the House or Senate can now debate the bill and propose changes or amendments before voting. If the majority vote for and pass the bill, it moves to the other house to go through a similar process of committees, debate, and voting. Both houses have to agree on the same version of the final bill before it goes to the President.



DID YOU KNOW?

The House uses an electronic voting system while the Senate typically votes by voice, saying "yay" or "nay."

5 PRESIDENTIAL ACTION

When the bill reaches the President, he or she can:

APPROVE and PASS

The President signs and approves the bill. The bill is law.



The President can also: Veto

The President rejects the bill and returns it to Congress with the reasons for the veto. Congress can override the veto with 2/3 vote of those present in both the House and the Senate and the bill will become law.

Choose no action

The President can decide to do nothing. If Congress is in session, after 10 days of no answer from the President, the bill then automatically becomes law.

Pocket veto

If Congress adjourns (goes out of session) within the 10 day period after giving the President the bill, the President can choose not to sign it and the bill will not become law.

Identifying Priorities for LACERA

- IRC §401(a) qualified plan = keen interest in federal tax code, e.g., direct payment requirement
- Public pension benefits can affect other federal programs, e.g. WEP and GPO penalties
- Conditions on federal aid to states related to public pension plans
- Health care

Translates Into What?

- Focus on Committees of jurisdiction, principally House Ways & Means and Senate Finance Committee (trifecta! – tax, health care and Social Security)
- Focus on Members of California Delegation on those Committees
- Focus on Los Angeles-based Members

Who are they?

- House Ways & Means Committee
 - Rep. Linda Sanchez (ranks 9th)
 - Rep Judy Chu (ranks 13th, also HQ in Pasadena)
 - Rep. Jimmy Gomez (ranks 23rd)
- Senate Finance Committee = No CA representation

Senate

- Any Senator can have an outsized role on an issue even if they're not on the committee of jurisdiction
- Not true in the House, with some exceptions

How do Members set Priorities?

- Personal interest
- Subject matter expertise
- Political motivation (constituents)
- Committee assignments
- Comfort level

Process can be Freewheeling

- Provisions never introduced as a bill find their way into law
- Backroom deals with few players
- Frustrating to rank-and-file Members
- Less transparent than most state legislatures

Reconciliation v Regular Order

- Key is in Senate
 - Limited debate
 - Expedited process
 - Simple majority for passage / not 60 votes
 - Parliamentarian assumes powerful role in deciding whether amendments are in order
- House rules not unlike regular order

Reconciliation v Regular Order

Before there can be a reconciliation bill, there must be a Concurrent Budget Resolution passed

- The Resolution is considered under expedited procedures in both chambers
- In the Senate, 50 hours of debate / unlimited amendments (must be germane/waivers)
- Reconciliation instructions may embrace revenues, mandatory spending and level of public debt
- One budget resolution can generate up to 3 reconciliation bills – one per each category

Reconciliation v Regular Order

Expedited Floor Process - Reconciliation bill is privileged (no debate on motion to proceed)

- Debate limited to 20 hours
- Amendments must meet certain requirements, such as Byrd Rule (no extraneous provisions), germaneness, budget ceilings, no changes OASDI Social Security (60 votes to waive/appeal)
- Vote-a-rama after debate time expires 10 hours of debate on a conference report

Healthcare: Key Federal Departments

- Health and Human Services
 - Public Health Service:
 - Centers for Medicare and Medicaid Services
 - *Food and Drug Administration*
 - *Centers for Disease Control*
 - *Substance Abuse and Mental Health*
- U.S. Treasury
 - Internal Revenue Service
- Department of Labor
- EEOC
- Others: The Medicare Payment Advisory Commission (MEDPAC) / National Association of Insurance Commissioners (NAIC)

Healthcare

- 3 Committees in the House: Ed and Labor, Ways and Means and Energy and Commerce
- 2 Committees in the Senate: (1) Finance, and (2) Health, Education, Labor and Pensions (known as HELP)
- House and Senate Budget Committees have extra importance in Budget Reconciliation*
- California Delegation is well represented in the House but not in the Senate

*(Sen. Padilla is on the Budget Committee)

Healthcare

- House Ways and Means
 - Jimmy Gomez (D-CA)
 - Jimmy Panetta (D-CA)
 - Judy Chu (D-CA)
 - Linda Sánchez (D-CA)
 - Mike Thompson (D-CA)
 - Devin Nunes (R-CA)

Healthcare

- House Energy and Commerce
 - Anna Eshoo (D-CA)
 - Doris Matsui (D-CA)
 - Jerry McNerney (D-CA)
 - Tony Cárdenas (D-CA)
 - Raul Ruiz (D-CA)
 - Scott Peters (D-CA)
 - Nanette Barragán (D-CA)

Healthcare

- House Education and Labor
 - Mark Takano (D-CA)
 - Mark DeSaulnier (D-CA)
 - Michelle Steel (R-CA)

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