



RETIRED PUBLIC EMPLOYEES ASSOCIATION Chico Chapter 077

AUGUST 2024 NEWSLETTER

Mission Statement:

We are active and retired California public employees working together to maintain and improve the quality of the lives of our members by protecting and improving our earned retirement, medical, and other benefits. RPEA represents the rank and file retired public employees.

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Summer Greetings! We hope you are enjoying a wonderful summer and staying cool during the triple-digit temperatures!

Reminder: There will be no RPEA Chapter 077 meeting in August. Our next meeting will be on Thursday, September 5. We hope you will plan to attend! We will update you about our upcoming meeting in the newsletter and on the website!

HEALTH BENEFITS INFORMATION

Al Raitt reported at the June 26 Board Meeting that a special Power of Attorney form was developed by CalPERS for CalPERS items only. If a Power of Attorney is part of a trust or an estate, the recipient may be unable to make the necessary decisions relating to CalPERS due to mental or physical issues. If a retiree has a Power of Attorney that won't work for CalPERS items, they should request the special CalPERS Power of Attorney. The form can be obtained on the MyCalPERS website. Lastly, CalPERS is in negotiations with healthcare companies attempting to secure five-year contracts.

UPCOMING PROGRAM

Betsy Kruger is in the process of setting up interesting programs for the remainder of the year. She has arranged for Meegan Jessee, Butte County Assistant Chief Administrative Officer, to speak at the September 5 meeting. There may be other staff members accompanying Meegan to assist with the presentation. She will address the 1-cent sales tax increase proposed by the Butte County Board of Supervisors for inclusion on the November ballot. The presentation will be neutrally informative to help our decision-making in casting a vote on this proposed tax. Additional information will be included in the September newsletter.



Don't forget to submit your volunteer hours to RPEA Headquarters!

The volunteer form is available online at rpea.com. It can either be downloaded and filled out and returned to the address on the bottom or filled out and submitted online. You can also find forms in some of your bi-monthly RPEA newsletters.

LEGISLATIVE REPORT

By Mary Kowta

Thoughts on the LEGISLATIVE PROCESS

The State Legislature will reconvene on August 5. Committees will work over bills to be sent to the fiscal committees of the two houses. August 16 is the last day for the fiscal committees to meet and report bills. The 23rd is the last day to amend on the floor, and the 31st is the last day for each house to pass bills. The Governor has until September 30 to sign or veto.

How Bills Die

- Held in committee with no action to move
- Failed in committee or by floor vote
- Missed deadline
- Held in suspense file
- Moved to inactive file
- Veto by Governor

When one considers the vast number of bills that move through the committee process, and how budgetary and political considerations may impact the process, it is not surprising that many never reach the Governor. Yet, the deluge that does reach his desk could be quite overwhelming.

The 2,100-page budget passed last month includes 19 trailer bills. What is a trailer bill? (I had to look it up!) A trailer bill makes statutory changes needed to implement the budget. It is the same as any other bill. This process allows Legislators or the Governor to make policy quickly without much debate. An example this year: Top lawmakers exempted the construction of the new Capitol annex from environmental regulations; Representative Gallagher called this an abuse. Governor Newsom influenced at least two trailer bills: a change that would give his administration more control over tax filing deadlines and a policy to give 4th graders free entrance to State parks, urged by First Partner, Jennifer Newsom. (*Sac Bee* 7/14).

CalPERS Notes

The annual notification of Health Plan Premiums for 2025 is now available. Substantial increases in Premiums are noted. Open Enrollment is from September 16 to October 11. Premiums will take effect January 1, 2025. My CalPERS accounts will enable comparisons, etc.

In March the Public Equity asset allocation was reduced from 42% to 37%, while the private equity was increased from 13% to 17%. This drew attention in the financial news sources where it was criticized as the worst of private equity investing. Hopefully, they maintained investment in tech, AI, chips, etc. where the current gains are. (????)

Many may benefit from looking into the CalPERS Power of Attorney form. It deals only with the passing of State benefits to a surviving spouse. It should ensure that the survivor receives benefits fairly promptly. Without it, there may be delays. An attorney commented that it is an excellent idea

The online journal, *Pensions and Investments*, 7/15, reports on CalPERS' 9.3% gain for the last fiscal year, one percentage point below its benchmark., reportedly enough to cover 75% of future obligations, up from 72% last year. According to P & I, this gain was driven by stocks and public equity, with a 17.5% return. Private equity lagged at a 10.9 net rate of return. Yet, CalPERS apparently plans to continue with its 34 million bets that private equity and private credit will pay off in the coming year. Risky business! People who know nothing about any of this would probably be more comfortable with semiconductor stock!

We wish you all a healthy and pleasant end of summer, whether you travel, entertain visitors locally, read those books you have been thinking about, build a birdhouse, or macrame a shopping bag. I'll spend time in my tomato patch! Best wishes!

Mary