



The County Retirement Systems

Joint Informational Hearing

3/9/2022

Background Information

- County Employment Retirement Law (CERL) formed in 1937
- Governed by Retirement Boards
- 20 Counties have established systems
 - Smallest Mendocino, Largest Los Angeles
- Over 540,000 members and retirees
- Over \$206 Billion in assets under management
- Average Funded Status: 89.6% (Market Value Basis)

Operational Challenges Facing Systems

Pandemic Related Issues

- Staffing models
 - Remote work, IT challenges
- Retiree Return to Work Issues
 - Increased difficulty meeting staffing needs
 - PEPRAs limitations makes it difficult to use this skilled and willing workforce

Operational Challenges Facing Systems

Open Public Meeting Limitations

- Brown Act Restrictions not keeping up with technology
- Most systems report increased attendance and engagement with virtual options

Operational Challenges Facing Systems

Supreme Court Decision

- Implementing the *Alameda* Decision was administratively complex for some systems
- Modifications to the Decision could require extensive rework, particularly if retroactive

Operational Challenges Facing Systems

Down-Side to Full Funding?

- Most of our systems are well funded, some even fully funded
- This may lead to pressure to increase benefits

Operational Challenges Facing Systems

Investment Challenges

- Increased pressure on systems that do not manage assets in-house
 - Divestment
 - ESG

Questions?