



September 27, 2019

D2019-04

TO: District Agricultural Association CEOs & Board Chairs

SUBJECT: SB 84 Supplemental Payment Obligations

The purpose of this letter is to inform the District Agricultural Associations (DAAs) of the liability resulting from the passing of [Senate Bill No. 84](#) Public Employees' Retirement Fund: state employer contributions: supplemental payment (SB 84).

On July 10, 2017, Governor Brown signed SB 84 into law which had the effect of borrowing \$6 billion from the Pooled Money Investment Account (PMIA) to make a one-time supplemental payment to the California Public Employees' Retirement System as part of the 2017-18 fiscal year budget package. The intent of this one-time supplemental payment was to save the state money over the next few decades by slowing the pace of cost increases for the state's annual pension payments.

Under SB 84, the Department of Finance (DOF) was required to develop a repayment schedule for the loan principal and interest accrued from the \$6 billion that was borrowed from the PMIA. As a part of their requirement, DOF was tasked with determining the proportionate share of the obligation attributable to the DAAs. DOF has informed the Department that the liability allocated to the DAAs is approximately \$9.9 million. This obligation was calculated by DOF based on 2016-17 CalPERS employer retirement contributions. DOF has determined the DAA repayment schedule will be spread over five fiscal years beginning FY2020-21 and ending FY2024-25.

The Department is currently seeking confirmation regarding the total obligation as well as the process and timing on how and when these payments are to be made. It has also been determined that this obligation impacts the financial records of each DAA going forward. Once we have additional information, we will provide further guidance to each DAA regarding their specific obligation.

If you have any questions, please contact John Quiroz, Chief, Fairs and Exposition Branch, at 916-900-5025 or john.quiroz@cdfa.ca.gov.

Sincerely,

Jeff Cesca, Director
Division of Marketing Services

