



## **Co-sponsored Bill on CalSTRS Reporting and Member Benefits**

**Presenters:** Derick Lennox

**Item Type:** Discussion

### **Background:**

For the past year, CCSESA has been working to improve the often-fraught business relationship between school employers and CalSTRS. We described this issue at a Legislative Committee meeting this fall, including the possibility of legislative action. We continue to be concerned by inconsistent employer reporting advice, leading to penalties and interest and member benefit cuts to retirees.

In an attempt to address these ongoing issues, CCSESA has been involved with several attempts to improve the situation.

- CCSESA co-hosted three formal meetings in the summer of 2021 to seek agreement on changes but were met with resistance on multiple key requests. [Read our letter for a full account of the sessions.](#)
- CCSESA's "Pension Systems Advisory Group," led by BASC members Kate Lane (Marin) and Dr. Candi Clark (Alameda), has convened a practitioner group of superintendents and BASC and PASSCO members. We meet **monthly** with CalSTRS (and CalPERS) to improve the employer reporting relationship.
- [Education Management Groups urged specific changes](#) to CalSTRS practices at the December 2020 CalSTRS board meeting, but those changes have not occurred.

At this point, meetings and demands are not sufficient to change the systemic problems with CalSTRS.

### **This bill**

By working with CTA and CalRTA in a co-sponsor fashion, we have the rare opportunity to enact statutory changes that will improve CalSTRS' accountability to the field. (If CCSESA declines to co-sponsor, CTA and CalRTA will pursue legislation without the involvement of CCSESA.)

The principles of this proposal include:

1. Retired members must not be held liable for prior overpayments.
2. CalSTRS must be accountable for guidance later determined to be erroneous.
3. CalSTRS must regularly update an official guidance document governing employer reporting.
4. Any changes to CalSTRS' interpretation of creditable compensation laws must be preceded by prior notice.
5. All audit reports shall be published on CalSTRS' website.
6. The CalSTRS appeal process must allow all individuals impacted by an audit the right to appeal.

[View the full list of principles here.](#) The objectives above are important because the bill may evolve throughout the process. These are our guiding principles.