

BILL NUMBER: [AB 706](#) (Low) as introduced February 19, 2019

SUMMARY

AB 706 removes the three-year limit within which an academic employee of a community college district must transfer unused sick leave to another employer. Upon retirement, unused sick leave is reported to CalSTRS, converted to service credit and included in the calculation of the member's lifetime benefit.

BOARD POSITION

Neutral. It is the board's policy to adopt a neutral position on legislation that does not significantly or adversely impact the benefits or services provided through the funds administered by CalSTRS. AB 706 is anticipated to impact a small population within the entire CalSTRS membership; therefore, the impact to the Teachers' Retirement Fund is expected to be minimal.

REASON FOR THE BILL

According to the author, sick leave is an earned benefit that should not be lost due to an arbitrary transfer deadline. The author also states that the restrictive cap on sick leave transfers is particularly detrimental to part-time community college instructors who may not be aware of the transfer requirement or when their work at a community college district has permanently ended.

ANALYSIS

Existing Law:

Education Code section 22717 provides that all CalSTRS members shall be granted service credit for each day of unused sick leave to which the member was entitled on the member's final day of employment. This section also requires employers to certify the amount of unused sick leave with CalSTRS and requires CalSTRS to utilize specific factors to convert unused sick leave to service credit.

Education Code section 87781 provides that every academic employee of a community college district who is employed five days a week shall be entitled to no less than 10 days of leave for illness or injury per year. Employees employed less than five days a week are entitled to a proportion of the 10 days of sick leave per year. Any leave that is not taken in a given school year accumulates from year to year.

Education Code section 87782 requires academic employees of community college districts, who have been employed for at least one school year, to have their unused sick leave transferred to a new employer within three years from the school year in which employment with the first district was terminated. There are two other circumstances under which a member may transfer their unused sick leave, including acceptance of an academic position in a school or community college district during the second or any succeeding school year of the member's employment with the first district or acceptance of employment in an academic position in another district prior to the expiration of employment rights under a local bargaining agreement. Failure to transfer the sick leave within the three-year period results in a loss of the accumulated leave.

This Bill:

AB 706 removes the three-year limit within which an academic employee of a community college district must transfer unused sick leave to another employer, as well as the two other circumstances under which unused sick leave may be transferred. Since AB 706 removes the transfer requirement, as opposed to extending the deadline, it would require employers to track unused sick leave for current and past employees indefinitely.

LEGISLATIVE HISTORY

SB 2295 (Ridley-Thomas, Chapter 814, Statutes of 2014) extended the length of time within which community college faculty are entitled to transfer sick leave to another employer from one year to three years.

PROGRAM BACKGROUND

Within 30 days of the effective date of a member's service retirement or the date the service retirement application is received by CalSTRS, whichever is later, the member's last employer or employers are required to certify to CalSTRS the number of days of unused sick leave for the retiring member. CalSTRS converts unused sick leave into service credit by dividing the number of unused sick leave days by the number of base service days required for full-time service for the member's class of employees during a school year.

CalSTRS does not have visibility of the number of community college instructors who lose their unused sick leave due to the current transfer requirements. Therefore, it is difficult to estimate how many additional sick leave days will be converted into service credit as a result of this bill.

FISCAL IMPACT

Program Cost – Increase in the normal cost of the average member's benefit of 0.004 percent of pay, or \$3 per year, for each additional day of unused sick leave that is converted to service credit.

Administrative Costs/Savings – Potential minor and absorbable costs associated with increased workload for CalSTRS staff to convert additional sick leave days to service credit or workload associated with audits of community college districts.

SUPPORT

Faculty Association of California Community Colleges (FACCC) (Sponsor)

OPPOSITION

None known.

ARGUMENTS

Pro: Provides additional time for community college faculty to transfer their unused sick leave to another employer.

Con: Could be perceived as a retroactive benefit increase.

LEGISLATIVE STAFF CONTACT

Vanessa Garcia,
Legislative Advocate,
CalSTRS Governmental Relations,
(916) 414-1979
vgarcia@calstrs.com

John Maradik-Symkowick
Manager,
CalSTRS Governmental Relations
(916) 414-1977
jmaradik-symkowick@calstrs.com

Joycelyn Martinez-Wade
Director,
CalSTRS Governmental Relations
(916) 414-1980
jmwade@calstrs.com