

# History of Legislation

The “History of Legislation” summarizes state legislation affecting CalSTRS, its members, and their beneficiaries since 1987.

## 2017 State Legislation (2017–18 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 20 (Kalra) Intro 12/5/16	Dakota Access Pipeline Engagement Reporting	Requires the CalSTRS and CalPERS boards to report, on or before April 1, 2018, to the Legislature and the Governor regarding investments in, and engagement with companies constructing, or funding the construction of, the Dakota Access Pipeline. Also states the intent of the Legislature that the boards review and consider factors related to tribal sovereignty and indigenous tribal rights as part of the boards’ investment policies related to environmental, social and governance issues. Sponsor: Author	Chapter 575, Statutes of 2017
AB 946 (Ting) Intro 2/16/17	Border Wall Construction Divestiture	Prohibits the CalSTRS and CalPERS boards from making additional or new investments or renewing existing investments in any company that contracts or subcontracts to build, maintain or provide material for President Trump’s Border Wall. Requires the CalSTRS and CalPERS boards to engage with, and to liquidate their investments in, such a company within 12 months of the company contracting or subcontracting to provide work or material for a border wall. Requires the boards, by January 1, 2019, to report to the Legislature any investment actions related such companies, subject to the fiduciary duty of these boards. Indemnifies board members, officers, employees and contracting investment managers for actions related to the bill. Sponsor: Author	Held in Assembly
AB 1310 (Allen) Intro 2/17/17	Member Statement Disclosure	Requires CalSTRS and other public retirement systems, as defined, to disclose the unfunded liability and healthcare debt of the system on each member statement provided to members of the system. Sponsor: Author	Held in Assembly
AB 1325 (PER&SS) Intro 2/17/17	Housekeeping Bill	Makes various technical, conforming or minor changes to the Teachers’ Retirement Law to facilitate efficient administration of the State Teachers’ Retirement Plan. Sponsor: CalSTRS	Chapter 298, Statutes of 2017



## 2017 State Legislation (2017–18 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 1597 (Nazarian) Intro 2/17/17	Turkish Investment Vehicle Divestiture	Prohibits the CalSTRS and CalPERS boards from making additional or new investments or renewing existing investments in any investment vehicle issued, owned, controlled or managed by the government of Turkey, and requires divestment from those investments within six months of the passage of a federal law imposing sanctions on Turkey, subject to the fiduciary duty of the boards. Requires these boards, within one year of the passage of such a federal law, to report to the Legislature any investments in a Turkish investment vehicle and other specified information. Indemnifies present, former and future board members, officers and employees of and investment managers under contract with those retirement systems for actions related to the bill. Sponsor: Author	Held in Senate
ACA 15 (Brough) Intro 5/9/17	Protecting Schools and Keeping Pension Promises Act of 2018	Prohibits a government employer from enhancing new government employee defined benefit plan benefits, enrolling a new government employee in a defined benefit pension plan or paying more than one-half of the total cost of retirement benefits for new government employees without approval by the voters of the applicable jurisdiction. Also prohibits retirement boards from imposing fees or other financial conditions on a government employer that proposes to close a defined benefit pension plan to new members without approval by voters of the applicable jurisdiction or the sponsoring government employer. Sponsor: Author	Held in Assembly
SB 32 (Moorlach) Intro 12/5/16	Public Employees' Pension Reform Act Modifications	Creates the Citizen's Pension Oversight Committee to advise the CalSTRS and CalPERS boards. Further defines "normal monthly rate of pay or base pay" for CalSTRS 2% at 60 members. Increases the final compensation period for new members on or after January 1, 2018, to at least 60 consecutive months. Prohibits public retirement systems from making cost-of-living adjustments to benefits when the unfunded actuarial liability of either CalSTRS or CalPERS is greater than zero. Stipulates that the applicable benefit structure for new members who leave employment with and then are reemployed by an employer participating in CalSTRS. Sponsor: Author	Held in Senate



## 2017 State Legislation (2017–18 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 560 (Allen) Intro 2/17/17	Climate Risk of Pension Investments	Requires the CalSTRS and CalPERS boards to consider the “financial climate risk,” as defined, in their management of any funds they administer. By January 1, 2020, and annually thereafter, requires the boards to include the “financial climate risks” of their investments and their related engagement, as specified, in their comprehensive annual financial reports. Sponsors: Environment California, Fossil Free California	Held in Senate
SCA 8 (Moorlach) Intro 2/15/17	Public Pension Reductions	Permits a government employer to reduce retirement benefits that are based on work not yet performed by an employee regardless of the date that the employee was first hired, notwithstanding other provisions of the California Constitution or any other law. Prohibits the measure from being interpreted to permit the reduction of retirement benefits that a public employee has earned based on work that has been performed. Sponsor: Author	Held in Senate
SCA 10 (Moorlach) Intro 2/17/17	Public Pension Increases	Prohibits a government employer from providing public employees any retirement benefit increase, as defined, until that increase is approved by a two-thirds vote of the electorate of the applicable jurisdiction and that vote is certified. Sponsor: Author	Held in Senate



## 2016 State Legislation (2015–16 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 736 (Cooley) Intro 2/25/15	Expand Board's Authority over COO and CFO	Adds Chief Operating Officer and Chief Financial Officer to those positions for which the Teachers' Retirement Board has the authority to establish desired competencies, set terms and conditions of employment and fix the compensation levels. Imposes limits on annual salary increases paid to a person who served in either position on January 1, 2016, and who does not separate from service prior to the increase. Limits the number of each of the positions under the board's authority, except for investment officers, to one. Sponsor: CalSTRS	Chapter 553, Statutes of 2016
AB 1052 (Cooley) Intro 2/26/15	Investment Procurement Process	Consistent with existing constitutional authority, would have authorized the CalSTRS board to contract for specified investment-related services under the boards' terms and conditions and, except under specified circumstances, utilizing competitive processes, in lieu of state contracting requirements. Sponsor: CalSTRS	Died in Assembly
AB 1875 (Chávez) Intro 2/10/16	Special Needs Trusts as Option or Annuity Beneficiaries	Allows CalSTRS Defined Benefit Program members and Cash Balance Benefit Program participants to designate a specific type of trust established for a disabled individual (often called a "special needs trust") to be an option beneficiary or annuity beneficiary and receive a benefit for the duration of the disabled individual's lifetime. Sponsor: Author	Chapter 559, Statutes of 2016
AB 2155 (Ridley-Thomas) Intro 2/17/16	Full-Time Equivalent for Community College Faculty	Would have required that collective bargaining agreements or employment agreements that apply to adult education instructors specify the courses for which those members are adult education instructors. Sponsor: Los Angeles College Faculty Guild	Governor Veto (9/29/16)



## 2016 State Legislation (2015–16 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 2833 (Cooley) Intro 2/19/16	Private Equity Fee Disclosure	Requires every California public investment fund to require its alternative investment vehicle fund managers and related parties to make specified disclosures regarding fees and expenses for each alternative investment vehicle. Also requires this information to be disclosed at least once annually in a report presented at a meeting open to the public. Applies to new contracts entered into, and to existing contracts pursuant to which the fund makes a new capital commitment, on or after January 1, 2017. Sponsor: State Treasurer John Chiang	Chapter 361, Statutes of 2016
SB 1352 (PE&R) Intro 2/19/16	Technical Housekeeping	Makes various technical, conforming or minor changes to the Teachers' Retirement Law to facilitate efficient administration of the State Teachers' Retirement Plan. Sponsor: CalSTRS	Chapter 218, Statutes of 2016
SB 1353 (Pan) Intro 2/19/16	Clarification to CalSTRS Funding Plan	Makes a technical clarification that state contribution changes that occurred after 1990 are not considered when determining future adjustments to the state contribution rate pursuant to the CalSTRS Funding Plan, except for the state contribution rate increases pursuant to that plan. Sponsor: CalSTRS	Chapter 350, Statutes of 2016



## 2015 State Legislation (2015–16 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 736 (Cooley) Intro 2/25/15	Expand Board's Authority over COO and CFO	Adds Chief Operating Officer and Chief Financial Officer to those positions for which the Teachers' Retirement Board has the authority to establish desired competencies, set terms and conditions of employment and fix the compensation levels. Sponsor: CalSTRS	Held in Senate
AB 963 (Bonilla) Intro 2/26/15	Membership Issues Clean Up	Clarifies the definition of service that can be reported to CalSTRS and remedies membership issues for individuals in classified positions who were erroneously reported to CalSTRS. Sponsor: CalSTRS	Chapter 782, Statutes of 2015
AB 991 (PER&SS) Intro 2/26/15	Technical Housekeeping	Makes various technical, conforming, or minor changes to the Teachers' Retirement Law to facilitate efficient administration of the State Teachers' Retirement Plan. Sponsor: CalSTRS	Chapter 123, Statutes of 2015
AB 1052 (Cooley) Intro 2/26/15	Investment Procurement Process	Consistent with existing constitutional authority, authorizes the boards of CalSTRS and CalPERS to contract for specified investment-related services under the boards' terms and conditions and, except under specified circumstances, utilizing competitive processes, in lieu of state contracting requirements. Sponsors: CalSTRS, CalPERS	Held in Senate
AB 1410 (Nazarian) Intro 2/27/15	Public Divestiture of Turkish Investment Vehicles	Requires the CalSTRS and CalPERS boards to divest of any investment vehicle issued by, owned, controlled or managed by the government of Turkey. Also requires these boards, on or before January 1, 2017, and annually thereafter, to report to the Legislature any investments in a Turkish investment vehicle and the sale or transfer of those investments, subject to the fiduciary duty of these boards. Sponsor: Armenian National Committee of America – Western Region	Held in Assembly



## 2015 State Legislation (2015–16 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 185 (De León) Intro 2/9/15	Public Divestiture of Thermal Coal Companies Act	Requires the CalSTRS and CalPERS boards to engage with thermal coal companies, as defined, and to divest the public employee retirement funds of any investments in thermal coal companies and prohibits additional or new investments or the renewal of existing investments in thermal coal companies. Sponsor: Author	Chapter 605, Statutes of 2015
SJR I (Beall) Intro 12/1/14	WEP/GPO Repeal	Requests the President and the Congress of the United States to pass legislation repealing the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP) from the Social Security Act. Sponsors: ACSA, CalRTA, CTA, FACCC	Resolution Chapter 92, Statutes of 2015



## 2014 State Legislation (2013–14 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 1469 (Bonta) Intro 1/9/14	CalSTRS Funding Plan	Increases state, employer, and member contributions to the Teachers' Retirement Fund in order to eliminate the unfunded actuarial obligation of the DB Program by June 30, 2046. Sponsor: Author	Chapter 47, Statutes of 2014
SB 1220 (PE&R) Intro 2/20/14	Omnibus Bill	Makes various technical, conforming, or minor amendments necessary for continued effective administration of the State Teachers' Retirement Plan. Sponsor: CalSTRS	Chapter 755, Statutes of 2014



## 2013 State Legislation (2013–14 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 125 (Wieckowski) Intro 1/14/13	Board Authority over Senior Management Classifications	Would have authorized the Teachers' Retirement Board to establish the desired competencies, set conditions of employment and performance standards, and establish the compensation, as specified, for the Chief Operating Officer and Chief Financial Officer, and would have allowed the board to recruit for these positions from broader sources. Also, would have required the board to report to the fiscal committees of the Legislature, as specified, on the improvements and cost savings realized because of these new positions. Sponsor: CalSTRS	Died in Senate
AB 761 (Dickinson) Intro 2/21/13	Public Retirement Investments in Firearm-Related Companies	Would have prohibited CalSTRS and CalPERS from investing in companies that manufacture firearms or ammunition for a recipient other than the U.S. military, subject to a process specified in the bill and consistent with previous divestment legislation, but subject to the board's fiduciary duties. Sponsor: Author	Died in Assembly
AB 989 (Mullin) Intro 2/22/13	Electronic Communication Authorization	Authorizes CalSTRS to provide the annual Retirement Progress Report along with various other retirement communications electronically in lieu of mailing them, unless the member, nonmember spouse, participant, nonparticipant spouse, or beneficiary to whom that communication is addressed specifically requests to continue receiving the communication by mail. Sponsor: CalSTRS	Chapter 459, Statutes of 2013
AB 1379 (PER&SS) Intro 2/26/13	Technical Housekeeping	Makes various technical and conforming changes to the Teachers' Retirement Law to facilitate efficient administration of the State Teachers' Retirement Plan. Sponsor: CalSTRS	Chapter 558, Statutes of 2013
AB 1381 (PER&SS) Intro 2/26/13	Public Employees' Pension Reform Act Conforming	Makes various technical corrections and conforming changes that align the Teachers' Retirement Law with the provisions of the Public Employees' Pension Reform Act of 2013 (PEPRA), as enacted in AB 340 (Furutani). Sponsor: CalSTRS	Chapter 559, Statutes of 2013
SB 13 (Beall) Intro 12/3/12	Public Employees' Pension Reform Act Clean-Up	Makes various conforming and clarifying changes to the Public Employees' Pension Reform Act of 2013 (PEPRA). Sponsor: Author	Chapter 528, Statutes of 2013



## 2012 State Legislation (2011–12 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 17 (Davis) Intro 12/6/10	Emerging Investment Managers	Would have, beginning August 1, 2013, and through 2017, required the board to annually participate in a legislative hearing on the ethnicity and gender of the investment managers who participate in managing their portfolios and on the ethnicity and gender of the brokerage firms that provide brokerage services. Sponsor: California State NAACP	Died in Senate
AB 178 (Gorell) Intro 1/24/11	Postretirement Employment	Changes the postretirement earnings limit to one-half of the median final compensation of all recently retired members. Excludes specified third-party employees from the postretirement employment limitations. Extends a very narrow exemption. Allows service retired members who reinstate on or after July 17, 2012, to re-retire within a year of reinstating and requires those members to keep the same option and beneficiaries, or Member-Only Benefit, that were in effect before reinstatement for one year after reinstatement. Sponsor: Author	Chapter 135, Statutes of 2012
AB 340 (Furutani) Intro 2/10/11	California Public Employees' Pension Reform Act of 2013	Makes various changes to the CalSTRS benefit structure that affect those who are first hired on or after January 1, 2013 (CalSTRS 2% at 62 members), including reducing the age factor, increasing minimum and normal retirement age, eliminating the career factor, requiring final compensation be calculated based on the highest average annual salary rate over three consecutive school years, reducing the limit on compensation that counts toward retirement benefits, limiting the type of compensation that counts toward retirement benefits, eliminating the Replacement Benefits Program, and requiring the contribution rate to equal 50 percent of the normal, ongoing cost of benefits. Also makes other changes that apply to all CalSTRS members (CalSTRS 2% at 60 and CalSTRS 2% at 62 members), including prohibiting the purchase of nonqualified service, requiring that a conviction for a work-related felony result in the forfeiture of benefits, expanding the separation from service requirement or zero-dollar limit to all members who retire on or after January 1, 2013, adding a narrow exemption to the separation from service requirement, extending the narrow exemption to the annual postretirement earnings limit to June 30, 2014, and prohibiting retroactive benefit enhancements. Sponsor: Author	Chapter 296, Statutes of 2012



## 2012 State Legislation (2011–12 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 1054 (Skinner) Intro 2/18/11	Quitclaim on Leased State Lands	Would have required a lessee of state lands who files with the State Lands Commission a written request for the commission to approve a quitclaim or relinquishment of all rights under an oil, gas, or mineral lease to continue to pay rents before and during the reclamation process. Sponsor: State Lands Commission	Died in Senate
AB 1101 (Eng) Intro 2/18/11	Teachers' Retirement Board Election	Would have provided that the Teachers' Retirement Board member who is either a retired member of the DB Program or a retired participant of the CB Benefit Program would be elected by retired members and participants of those programs. Sponsor: California Federation of Teachers (CFT)	Governor Veto (9/29/12)
AB 1735 (Wieckowski) Intro 2/16/12	Board Authority over Senior Management Classifications	Would have authorized the Teachers' Retirement Board to establish the desired competencies, set conditions of employment and performance standards, and establish the compensation, as specified, for the Chief Operating Officer and Chief Financial Officer, and would have allowed the board to recruit for these positions from broader sources. Sponsor: CalSTRS	Died in Senate
AB 1787 (Portantino) Intro 2/21/12	State Employee Salary Freeze	Would have prohibited persons employed by the state whose base salary is greater than \$100,000 per year from receiving a salary increase or a bonus while employed in that same position or classification. Would have required the savings to be credited to the General Fund and appropriated to the Office of AIDS. Sponsor: Author	Died in Assembly
AB 1819 (Ammiano) Intro 2/21/12	Charter School Access to CalSTRS	Would have required employees of a charter school who perform creditable service to be in CalSTRS, if it would not affect CalSTRS' tax-qualified status. Sponsor: CFT	Died in Senate
AB 1949 (Cedillo) Intro 2/23/12	Authority to Select 403(b) Product Vendors	Would have authorized a school district, a county office of education or a charter school to select four or more vendors of 403(b) products through a competitive bidding process. Sponsor: Author	Died in Assembly



## 2012 State Legislation (2011–12 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 2429 (Hagman) Intro 2/24/12	Public Employees' Retirement: Elected & Appointed Officials	Would have prohibited a person appointed or publicly elected to a local office who is less than full time from becoming a member of a pension system by virtue of the position into which he or she was first elected or appointed on or after January 1, 2013. Sponsor: Author	Died in Assembly
AB 2663 (PER&SS) Intro 2/29/12	Technical Housekeeping	Makes various technical and conforming changes to the Teachers' Retirement Law to facilitate efficient administration of the State Teachers' Retirement Plan. Sponsor: CalSTRS	Chapter 864, Statutes of 2012
SB 114 (Yee) Intro 1/19/11	Community College and Adult Education Instructor Collective Bargaining and Employment Agreements	Requires collective bargaining or employment agreements for community college adjunct and adult education instructors be submitted to CalSTRS. Sponsor: CFT	Chapter 829, Statutes of 2012
SB 955 (Pavley) Intro 1/5/12	Investing in California Infrastructure Projects	Encourages CalSTRS and CalPERS to prioritize investment in in-state infrastructure projects over alternative out-of-state projects if the investments are consistent with their fiduciary responsibility. Sponsor: Author	Chapter 760, Statutes of 2012
SB 1368 (Anderson) Intro 2/24/12	State Officer and Employee Salaries	Would have prohibited the annual rate of salary of a state officer or employee from exceeding the annual salary authorized to be received by the Governor, subject to certain exceptions. Sponsor: Author	Died in Senate
SCR 105 (Negrete McLeod) Intro 8/22/12	CalSTRS Funding	Establishes a framework for the development of a funding plan and directs CalSTRS to work with affected stakeholders to develop at least three alternative plans to submit to the Legislature by February 15, 2013. Expresses the Legislature's intent to enact legislation during the 2013–14 legislative session to address the long-term funding needs of the DB Program. Sponsor: Author	Resolution Chapter 123, Statutes of 2012
SJR 21 (Kehoe) Intro 3/6/12	Federal Tax Exemptions: Retirement Funds	Would have urged the federal government to allow all retirees who have contributed to a qualified retirement plan the option to use funds from their plan to pay for their medical and long-term care premiums. Sponsor: Author	Died in Senate



## 2011 State Legislation (2011–12 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 7 (Portantino) Intro 12/6/10	State Employee Salary Freeze	Would have prohibited a person employed by the state whose base salary is greater than \$150,000 per year from receiving a salary increase or a bonus while employed in the same position or classification until January 1, 2014. Sponsor: Author	Died in Assembly
AB 17 (Davis) Intro 12/6/10	Emerging Investment Managers	Would have required CalPERS and CalSTRS to submit a report annually to the Legislature on the ethnicity and gender of the investment managers who participate in managing their portfolios and on the ethnicity and gender of the brokerage firms that provide brokerage services. Would have repealed these provisions on January 1, 2018. Sponsor: California State NAACP	Died in Senate
AB 597 (Eng) Intro 2/16/11	California Financial Literacy Fund	Establishes the California Financial Literacy Fund in the State Treasury and authorizes the Controller to administer the fund and program. States that the purpose of the fund is to enable partnerships with the financial services community and governmental and nongovernmental stakeholders to improve Californians' financial literacy. Allows the Controller to accept private donations and deposit those donations into the fund, which shall be made available upon appropriation in the annual Budget Act. Requires that funds not appropriated within 18 months of being contributed to the fund be returned in full to the contributor. Prohibits the use of donations to promote or market the financial products of any contributor. Sponsor: State Controller, New America Foundation	Chapter 612, Statutes of 2011
AB 738 (Hagman) Intro 2/17/11	Public Employment Benefits: Elected Officials	Would have prohibited a person who is publicly elected to an office of any kind, on and after January 1, 2012, from becoming a member of a retirement system by virtue of that service or acquiring any retirement right or benefit for serving in that elective office. Sponsor: Author	Died in Assembly



## 2011 State Legislation (2011–12 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 873 (Furutani) Intro 2/17/11	Prohibition on Employment After Separation from Pension System	Prohibits specified CalSTRS employees from engaging in certain employment activities after leaving service with CalSTRS for a period of four years, which includes a limitation on aiding, advising, consulting with, or assisting a business entity for compensation, for a period of two years, in obtaining the award of, or in negotiating, a contract or contract amendment with CalSTRS. Prohibits specified CalSTRS employees from accepting compensation for providing services as a placement agent, for a period of 10 years after leaving service with CalSTRS, in connection with CalSTRS investments or other business. Sponsor: State Controller	Chapter 551, Statutes of 2011
AB 982 (Skinner) Intro 2/18/11	Solar Energy Parks Program – Land Exchanges	Requires the State Lands Commission to enter into a memorandum of agreement by April 1, 2012, with the United States Secretary of the Interior to facilitate land exchanges consolidating school land parcels into contiguous holdings for large-scale renewable energy-related projects. Requires the commission, by January 1 of each year, to report to the Legislature on the status of the memorandum of agreement and school land consolidation efforts. Sponsor: BrightSource Energy	Chapter 485, Statutes of 2011
AB 1101 (Eng) Intro 2/18/11	Teachers' Retirement Board Election	Would have provided that the Teachers' Retirement Board member who is either a retired member of the DB Program or a retired participant of the CB Benefit Program would be elected by retired members and participants of those programs. Sponsor: CFT	Governor Veto (9/29/12)
AB 1151 (Feuer) Intro 2/18/11	Public Retirement Investments in Iran	Requires that any determination by CalSTRS that an action as specified in the California Public Divest from Iran Act fails to satisfy the fiduciary duty of the board be made in a properly noticed public hearing of the full board and that proposed findings be made public 72 hours before they are considered by the board. Sponsor: Author	Chapter 441, Statutes of 2011



## 2011 State Legislation (2011–12 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 27 (Simitian) Intro 12/6/10	Determination of Final Compensation	Would have limited the types of compensation included in a member's final compensation for the purpose of determining retirement benefits and would have effectively required all members to have a separation from service of 180 days after retirement. Sponsor: Author	Died in Assembly
SB 294 (Price) Intro 2/14/11	Emerging Investment Managers	Requires CalPERS and CalSTRS to define the term "emerging investment manager" and, beginning August 1, 2012, provide a five-year strategic plan for emerging investment manager participation across all asset classes. Beginning March 1, 2014, and annually thereafter until January 1, 2018, requires the boards to submit an annual report on the progress of the plan to the Legislature. Sponsor: Author	Chapter 701, Statutes of 2011
SB 349 (Negrete McLeod) Intro 2/15/11	Omnibus Bill	Makes various technical and small policy changes and conforming changes to the Teachers' Retirement Law to facilitate efficient administration of the State Teachers' Retirement Plan. Sponsor: CalSTRS	Chapter 703, Statutes of 2011
SB 398 (Hernandez) Intro 2/16/11	Placement Agents	Revises the definitions of placement agent and external manager in order to provide clarity to current law, defines "investment fund" and clarifies the criteria that exempts placement agents, as specified, from certain reporting and registration requirements imposed by local governments. Sponsor: Author	Chapter 704, Statutes of 2011
SB 439 (Negrete McLeod) Intro 2/16/11	Gift Limits for Board and Staff	Would have prohibited CalSTRS board members and specified employees from accepting gifts from any single person who has secured a contract with or submitted a contract proposal to CalSTRS in any calendar year with a total value of more than \$50. Sponsor: State Controller	Governor Veto (10/7/11)
SB 523 (Walters) Intro 2/17/11	Public Employment Benefits: Elected Officials	Would have prohibited a person who is publicly elected to a local office of any kind, on and after January 1, 2012, from becoming a member of a retirement system by virtue of that service or acquiring any retirement right or benefit for serving in that elective office. Sponsor: Author	Died in Senate



## 2011 State Legislation (2011–12 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 689 (Harman) Intro 2/18/11	Report on Pensions of \$100,000 or More	Would have required on or before July 1, 2012, CalPERS, CalSTRS and the University of California Retirement System each to establish and maintain a website that allows the public to access specified information about any retired member who receives a pension of \$100,000 or more annually and specified information regarding the costs of postretirement health care benefits. Sponsor: Author	Died in Senate
SB 696 (Lieu) Intro 2/18/11	California Financial Literacy Initiative	Would have authorized the creation of the California Financial Literacy Fund and allowed the Controller to accept private donations into the fund to support partnerships between various stakeholders to improve California's financial literacy. Sponsor: Author	Died in Senate
SB 861 (Corbett) Intro 2/18/11	Public Contracts: Conflict Minerals from Congo	Prohibits a scrutinized company, as defined, from bidding or submitting a proposal for a state contract for goods or services, if the company has had a final judgment filed against them by the U.S. Securities and Exchange Commission (SEC) related to the Democratic Republic of Congo (DRC) and conflict minerals disclosure. Sponsor: Enough!, International Corporate Accountability Roundtable	Chapter 715, Statutes of 2011
SB 903 (Anderson) Intro 2/18/11	Public Retirement Investments in Iran	Would have provided any determination by CalSTRS that an action relating to selling or transferring specified investments in Iran would be a breach of fiduciary duty be made in a public hearing of the full board after proper public notice and provide an opportunity for public comment. Sponsor: Author	Died in Assembly



## 2010 State Legislation (2009–10 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 194 (Torricono) Intro 2/2/09	Retirement Benefit Limit	Would have limited the salary on which the retirement benefit of any new CalSTRS member would be based to 125 percent of the California State Governor's salary as of December 2009, adjusted annually. Sponsor: Author	Governor Veto (9/30/10)
AB 1650 (Feuer) Intro 1/13/10	Public Contracts: Investing in Iranian Energy	Prohibits a person who is identified on a list created and maintained by the Department of General Services as being engaged in investment activities in the energy sector in Iran from submitting a proposal for or entering into or renewing a contract for goods and services with a state agency or with a local public entity for more than \$1 million. Sponsor: Author	Chapter 573, Statutes of 2010
AB 1743 (Hernandez) Intro 2/8/10	Placement Agents	Prohibits a person from acting as a placement agent in connection with any potential system investment made by a state public retirement system unless that person is registered as a lobbyist and is in full compliance with the Political Reform Act of 1974 as the act applies to lobbyists. Sponsor: CalPERS, State Controller, State Treasurer	Chapter 668, Statutes of 2010
AB 1764 (Portantino) Intro 2/9/10	State Employee Salary Freeze	Would have prohibited a person employed by the state whose base salary on or after the effective date of the bill is greater than \$150,000 per year from receiving a salary increase while employed in the same position or classification. Sponsor: Author	Died in Assembly
AB 1862 (Eng) Intro 2/12/10	Teachers' Retirement Board Election	Would have provided that the Teachers' Retirement Board member who is either a retired member of the DB Program or a retired participant of the CB Benefit Program would be elected by retired members of the DB Program and retired participants of the CB Benefit Program. Sponsor: CFT	Governor Veto (9/24/10)



## 2010 State Legislation (2009–10 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 1899 (Eng) Intro 2/16/10	Reporting Transparency in Government Website	Would have required state agencies, the Department of General Services and the Office of the State Chief Information Officer to post specified audits and contracts to the state's Reporting Transparency in Government website. Would have required the Governor's Office to post every Statement of Economic Interest and travel expense claim for its senior staff, agency secretaries and undersecretaries and department heads to the same website. Sponsor: Californians Aware, SEIU, Local 1000	Governor Veto (9/25/10)
AB 1913 (Davis) Intro 2/16/10	Emerging Investment Managers	Would have required the board, beginning January 1, 2012, to report annually to the Legislature the ethnicity and gender of emerging investment managers who participate in managing its investment portfolio. Would have required the board to develop and include in the report plans and strategies to increase the participation of emerging managers until they manage at least 10 percent of the board's actively managed portfolio. Sponsor: NAACP	Died in Senate
AB 2142 (Gilmore) Intro 2/18/10	CalSTRS Service Credit	Would have made a technical, nonsubstantive change to the provisions that require additional service performed by a member in excess of the service scheduled for a school year to be credited to the DBS Program. Sponsor: Author	Died in Assembly
AB 2260 (PER&SS) Intro 2/18/10	Technical Housekeeping	Makes various technical and conforming changes to the Teachers' Retirement Law to facilitate efficient administration of the State Teachers' Retirement Plan. Sponsor: CalSTRS	Chapter 207, Statutes of 2010
AB 2337 (Ammiano) Intro 2/19/10	Predatory Investment Practices	Would have prohibited CalSTRS and CalPERS from investing funds in a company engaged in predatory investment practices within rent-regulated housing. Sponsor: East Palo Alto Fair Rent Coalition, Tenants Together	Died in Senate
AB 2457 (Salas) Intro 2/19/10	Financial Literacy	Would have established the California Financial Literacy Fund in the State Treasury and authorized the Controller to administer the fund. The purpose of the fund would have been to support partnerships with the financial services community and governmental and nongovernmental stakeholders to improve California's financial literacy. Sponsor: State Controller, New America Foundation	Governor Veto (9/24/10)



## 2010 State Legislation (2009–10 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 2603 (Gaines) Intro 2/19/10	State Agency Regulations	Would have enacted the Smart Regulation Act. Would have required that a state agency determine how many regulations it imposes and reduce the total number of regulations it has identified. Would have required that any new regulation proposed by an agency also eliminate another regulation. Sponsor: Author	Died in Assembly
ABX8 5 (Budget) Intro 1/15/10	Change in General Fund Payment Dates	Revises the transfer dates of General Fund revenue to the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund and specifies that each payment be 50 percent of the annual appropriation. Establishes dates for the quarterly payments to the fund for the DB Program, which is continuously appropriated from the General Fund. Sponsor: Author	Chapter 1, Statutes of 2009–10 Eighth Extraordinary Session
ABX8 14 (Budget) Intro 1/15/10	Modification of General Fund Payment Dates	Among other things, amends Section 16324 of the Government Code to delete an extraneous cross reference to CalSTRS, thereby removing CalSTRS from the provisions established by Section 16324 as added by Chapter 1, Statutes of 2009–10 Eighth Extraordinary Session. Sponsor: Author	Chapter 10, Statutes of 2009–10 Eighth Extraordinary Session
ABX8 33 (Portantino) Intro 1/28/10	State Employee Salary Freeze	Would have prohibited state employees whose base salary is greater than \$150,000 per year, until January 1, 2013, from receiving a salary increase in the same position or classification. Sponsor: Author	Died in Assembly
SB 1007 (Hancock) Intro 2/10/10	Elected Board Members: Political Reform Act	Requires elected members of the Teachers' Retirement Board to be subject to the Political Reform Act of 1974. Revises the definitions of "elective office" and "elective state office," thereby subjecting those candidates and committees primarily existing to support and oppose those candidates to the reporting requirements of the act. Makes conforming changes to provisions relating to the reporting of late contributions and late independent expenditures and the filing of committee organization, campaign and preelection statements. Authorizes the Fair Political Practices Commission to adopt regulations to tailor the reporting and disclosure requirements for these candidates and committees. Sponsor: State Controller	Chapter 633, Statutes of 2010



## 2010 State Legislation (2009–10 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 1271 (Romero) Intro 2/19/10	Retirement Board Conflicts of Interest	Codifies CalPERS' conflict of interest regulation codes and makes them applicable to all public retirement boards. Sponsor: AFSCME	Chapter 702, Statutes of 2010
SB 1425 (Simitian) Intro 2/19/10	Determination of Final Compensation	Would have limited the types of increases in compensation that count toward final compensation and reduced the benefit for any covered compensation earned during the first 180 days after retirement. Sponsor: Author	Governor Veto (9/30/10)
SBX8 5 (Budget and Fiscal Review) Intro 1/20/10	Change in General Fund Payment Dates	Would have revised the transfer dates of General Fund revenue to the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund and specified that each payment be 50 percent of the annual appropriation. Would have established dates for the quarterly payments to the fund for the DB Program, which is continuously appropriated from the General Fund. Sponsor: Author	Died in Assembly



## 2009 State Legislation (2009–10 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 53 (Portantino) Intro 12/3/08	State Employee Salary Freeze	Would have frozen any state employee's salary whose base salary is greater than \$150,000 until January 1, 2012, and prohibited them from receiving payment for overtime work. Sponsor: Author	Died in Assembly
AB 232 (Hill) Intro 2/5/09	CalSTRS Green Technology	Authorizes the board to implement technology improvements in the delivery of benefits and services to members, participants, and beneficiaries. Sponsor: CalSTRS	Chapter 90, Statutes of 2009
AB 360 (Ma) Intro 2/23/09	Part-Time Community College Instructor Study	Would have encouraged CalSTRS to examine the feasibility and cost-effectiveness of either creating a new program for part-time community college instructors or making appropriate modifications to the DB Program to more appropriately reflect the career of a part-time community college instructor. Sponsor: CFT	Died in Assembly
AB 368 (Skinner) Intro 2/23/09	School Lands Leases: Quitclaims	Would have made the quitclaim or relinquishment of a lease of state lands effective upon completion of the abandonment of all facilities and reclamation of the lease premises. Sponsor: State Lands Commission	Governor Veto (10/11/09)
AB 399 (Brownley) Intro 2/23/09	Furloughed State Employees	Preserves the retirement benefit of furloughed state employees.	Chapter 240, Statutes of 2009
AB 506 (Furutani) Intro 2/24/09	Postretirement Earnings Limit	Conforms to federal law, which prohibits pension plans from distributing benefits before either the normal retirement age or a separation from service. Requires retired members who are under the normal retirement age of 60 to have their retirement benefit reduced by the amount earned in CalSTRS-covered employment for the first six calendar months following their retirement effective date or until their 60th birthday, whichever is sooner. Requires this deduction to begin July 1, 2010, regardless of retirement effective date. Extends the sunset dates for the postretirement earnings limit exemptions to June 30, 2012, and expands eligibility, where applicable, to members who retired on or before January 1, 2009. States that the vacant administrative position emergency exemption shall not apply to a retiree whose termination is the basis for the vacant administrator position. Sponsor: CalSTRS	Chapter 306, Statutes of 2009



## 2009 State Legislation (2009–10 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 654 (Mendoza) Intro 2/25/09	Penalties and Interest	As of July 1, 2010, modifies the definition of “regular interest.” Clarifies the application of regular interest to the installments that employers make when paying for employee retirement incentives. Establishes a basis for the consistent assessment of interest and penalties for late payment of contributions and late submission of reports. Sponsor: CalSTRS	Chapter 249, Statutes of 2009
AB 1267 (Eng) Intro 2/27/09	Longevity Bonus Sunset Date Extension	Would have extended the sunset date for eligibility for the longevity bonus to July 1, 2016. Sponsor: CFT	Died in Assembly
AB 1584 (Hernandez) Intro 5/26/09	Placement Agents	Expands postemployment restrictions for specified CalSTRS employees or board members and requires additional disclosures of placement agent fees and activities to prevent “pay-for-play” activities with public pension investments and increases transparency and accountability. Sponsor: Author	Chapter 301, Statutes of 2009
AJR 10 (Torlakson) Intro 3/9/09	WEP/GPO Repeal	Requests the President and the United States Congress to enact the Social Security Fairness Act of 2009, which would repeal the WEP and the GPO of the Social Security Act. Sponsor: CTA, CRTA, CFT	Resolution Chapter 103, Statutes of 2009
SB 280 (Calderon) Intro 2/24/09	Retirement Incentive Exemption for Substitute Teachers	Would have provided that a member shall not forfeit his or her additional credit for service from a retirement enhancement if he or she is reemployed within five years after retirement as a substitute teacher by a school district from which he or she retired, if they terminate employment with that employer and provide CalSTRS an affidavit under penalty of perjury that they were unaware of the prohibition and they returned to work at the request of the employer. Sponsor: Author	Died in Senate
SB 634 (PE&R) Intro 2/27/09	Technical Housekeeping	Makes various technical and conforming changes to the Teachers’ Retirement Law to facilitate efficient administration of the State Teachers’ Retirement Plan. Sponsor: CalSTRS	Chapter 304, Statutes of 2009



## 2008 State Legislation (2007–08 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 36 (Niello) Intro 12/4/06	Benefit Fraud	Would have made it a crime to make false material statements or representations in applying for CalSTRS benefits, or knowingly accept benefit payment to which the person was not entitled. Sponsor: Author	Died in Senate
AB 498 (Hernandez) Intro 2/20/07	State Contract Eligibility: Sudan	Prohibits a scrutinized company, as defined, that is involved in specified activities in Sudan, from entering into a contract with a state agency for goods and services. Stipulates that a state agency must require a company that submits a bid to self-certify that it is not a scrutinized company. Permits termination of a contract for false certification and requires the Attorney General to determine whether to bring civil actions to recover costs. Sponsor: Save Darfur Coalition	Chapter 272 Statutes of 2008
AB 591 (Dymally) Intro 2/21/07	Community College Part-Time Employees	Allows the California Community Colleges to hire temporary part-time employees to teach up to 67 percent, rather than 60 percent, of the hours per week that constitute a regular, full-time assignment. Sponsor: California Part-Time Faculty Association	Chapter 84, Statutes of 2008
AB 789 (Mullin) Intro 2/22/07	Contributions to the SBMA	Would have provided that a certain percentage of creditable compensation shall be credited to the SBMA for purchasing power protection. Sponsor: California Retired Teachers Association	Died in Senate
AB 865 (Davis) Intro 2/22/07	State Agency Live Customer Service Act	Would have required each state agency to answer an incoming call with a live customer service agent or automated telephone answering equipment with an automated prompt that allows a caller to select the option to speak with a live customer service agent. Sponsor: Author	Governor Veto (9/28/08)
AB 1389 (Budget) Intro 2/23/07	Omnibus State Government Trailer Bill	Increases the targeted nonvested purchasing power benefit from 80 percent to 85 percent, but gives the CalSTRS board authority to adjust that target between 80 and 85 percent based on long-term actuarial projections. Reduces state General Fund payments into the SBMA by \$66 million in 2008–09, \$70 million in 2009–10, \$71 million in 2010–11, and \$72 million in 2011–12 and thereafter. Sponsor: Assembly Committee on Budget	Chapter 751, Statutes of 2008



## 2008 State Legislation (2007–08 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 1480 (Mendoza) Intro 2/23/07	CalSTRS Roth IRA	Authorizes CalSTRS to offer a Roth IRA, as part of its Pension2 <sup>®</sup> Program, to receive funds converted from a Roth 403(b) account. Sponsor: CalSTRS	Chapter 432, Statutes of 2008
AB 1844 (Hernandez) Intro 1/28/08	Benefit Fraud (Public Employee Benefits)	Makes it a crime for a person to make false material statements in connection with retirement benefits and applications. Requires public agencies to report OPEB information to the State Controller, and the Controller to develop cost-efficient procedures to collect and report this information. Sponsor: Governor's Public Employee Post-Employment Benefits Commission	Chapter 369, Statutes of 2008
AB 1967 (Torricono) Intro 2/14/08	Private Equity Investment Act	Would have prohibited CalSTRS and CalPERS from investing in a private equity company owned by a sovereign wealth fund, or in a fund managed directly or indirectly by a private equity company owned by a sovereign fund, if the country(ies) associated with that sovereign wealth fund does not meet specified human rights criteria. Sponsor: SEIU	Died in Assembly
AB 2023 (Houston) Intro 2/15/08	Public Employee Disability Benefits	Requires that CalSTRS, CalPERS and other pension boards use exclusively medical information when making a disability retirement decision. Sponsor: Author	Chapter 370, Statutes of 2008
AB 2191 (Mullin) Intro 2/20/08	Expanded CalSTRS 403(b) Programs: State Employees	Deletes the ability of the State Controller's Office to purchase annuity contracts on behalf of certain state employees and extends CalSTRS' 403(b) programs—Pension2, 403bCompare and 403bComply—to those state employees. Sponsor: State Controller	Chapter 230, Statutes of 2008
AB 2390 (Karnette) Intro 2/21/08	Postretirement Earnings Limit Exemptions and Foreign Service Credit	Extends the sunset date on the postretirement earnings limit exemptions until June 30, 2010, extends certain exemptions to members who retired for service on or before January 1, 2007, and permits members retired between June 1, 2007, and December 31, 2007, to purchase foreign service credit. Sponsor: CalSTRS	Chapter 494, Statutes of 2008
ABX3 8 (Budget) Intro 2/4/08	2007 State Budget Act: SBMA Transfer Date	Identical to SBX3 6, enacts legislation necessary to implement changes to the 2007–08 budget and implement policy changes affecting the 2008–09 budget. Specifies the 2008–09 SBMA General Fund transfer shall be made on November 1. Sponsor: Governor	Chapter 6, Statutes of 2007–08 Third Extraordinary Session



## 2008 State Legislation (2007–08 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 242 (Torlakson) Intro 2/14/07	Claims Against the State	Appropriates funds to pay for litigation costs incurred by CalSTRS and expresses the Legislature's intent to appropriate funds in future fiscal years for repayment of interest due to CalSTRS on underpayment of the SBMA appropriation. Sponsor: Author	Chapter 59, Statutes of 2008
SB 1066 (Migden) Intro 1/10/08	Domestic Partnerships	Would have deleted the requirement that domestic partners be of the same sex or, if of different sexes, that one of them be at least 62 years of age. Sponsor: Author	Died in Senate
SB 1123 (Wiggins) Intro 1/28/08	California Actuarial Advisory Panel	Requires the Legislature to secure the services of an enrolled actuary in determining the costs of other postretirement benefits. Creates the California Actuarial Advisory Panel to provide impartial and independent information on pensions, other postemployment benefits, and best practices to the Legislature, Governor, and public agencies. Sponsor: Governor's Public Employees Post-Employment Benefits Commission	Chapter 371, Statutes of 2008
SB 1376 (Wiggins) Intro 2/21/08	Technical Housekeeping	Would have made various technical and conforming changes to the Teachers' Retirement Law to facilitate efficient administration of the State Teachers' Retirement Plan. Sponsor: CalSTRS	Governor Veto (9/26/08)
SB 1488 (Calderon) Intro 2/21/08	Substitute Teacher Exemption	Would have provided that members shall not forfeit their two years of additional service credit for early retirement if they are reemployed within five years after retirement as a substitute teacher by a school district from which they were retired. Sponsor: Author	Died in Senate
SB 1550 (Florez) Intro 2/22/08	Corporate Climate Change Disclosure Statement	Would have required the Controller, in consultation with the investment community, to establish an investor-based climate change disclosure standard for use by publicly held corporations doing business in California. Sponsor: Author	Died in Senate
SBX3 6 (Budget and Fiscal Review) Intro 2/7/08	2007 State Budget Act: SBMA Transfer Date	Identical to ABX3 8, would have enacted legislation necessary to implement changes to the 2007–08 budget and implement policy changes affecting the 2008–09 budget. Would have specified the 2008–09 SBMA General Fund transfer shall be made on November 1. Sponsor: Governor	Died in Senate



## 2007 State Legislation (2007–08 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 221 (Anderson) Intro 1/29/07	Investments in Iran	Prohibits CalSTRS and CalPERS from investing in companies with business operations in Iran and requires each pension system to sell or transfer any investments in a company with business operations in Iran. When the U.S. repeals its sanctions against Iran, the pension boards shall notify the Secretary of State, and the prohibitions and requirements in this bill will be repealed. Sponsor: Author	Chapter 671, Statutes of 2007
AB 554 (Hernandez) Intro 2/21/07	Prefunding of Postemployment Health Care Benefits	Permits the CalPERS Board of Administration to authorize a public agency to participate in a CalPERS program to prefund the health benefits the employer provides to its retirees. Sponsor: CalPERS	Chapter 318, Statutes of 2007
AB 754 (PER&SS) Intro 2/22/07	Investment Officer Compensation	Approves the side letter to the memorandum of understanding between the state and state bargaining units that, among other things, amends Investment Officer compensation. Sponsor: Department of Personnel Administration	Chapter 321, Statutes of 2007
AB 757 (PER&SS) Intro 2/22/07	Technical Housekeeping	Makes a variety of technical and conforming changes to the Teachers' Retirement Law to facilitate efficient administration of the System. Sponsor: CalSTRS	Chapter 323, Statutes of 2007
AB 861 (Tran) Intro 2/22/07	Divorce Protections	Protects the economic rights of the parties to a divorce by allowing the court a wider range of protection options prior to final distribution of their property. Sponsor: Family Law Section of the State Bar	Chapter 141, Statutes of 2007
AB 1316 (Bass) Intro 2/23/07	Service Retirement Pending Disability	Permits DB members to apply for and receive a service retirement pending a determination of their application for disability, subject to requirements and restrictions. Sponsor: CalSTRS	Chapter 332, Statutes of 2007
AB 1317 (Mullin) Intro 2/23/07	Compensation for General Counsel	Requires the Teachers' Retirement Board to fix compensation of the CalSTRS General Counsel. Sponsor: CalSTRS	Chapter 333, Statutes of 2007



## 2007 State Legislation (2007–08 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 1393 (Leno) Intro 2/23/07	Public Records Act Requests	Would have required state agencies to include specified information on their websites regarding how to request records pursuant to the California Public Records Act; would have established a limited-term advisory board with the Department of Justice to oversee website standards and report information to the Governor and the Legislature. Sponsor: CalAware	Governor Veto (10/11/07)
AB 1432 (Soto) Intro 2/23/07	Federal Law Conformity	Conforms the Teachers' Retirement Law to federal law: allows nonparticipating domestic partners to roll-over benefit distributions; permits purchase of foreign teacher service credit, subject to limitations. Sponsor: CalSTRS	Chapter 513, Statutes of 2007
AJR 5 (Hernandez) Intro 2/1/07	Repeal of the Social Security Pension Offsets	Requests the President and the Congress to enact the Social Security Fairness Act which would repeal the Government Pension Offset and the Windfall Elimination Provision from the Social Security Act. Sponsor: Author	Resolution Chapter 116, Statutes of 2007
SB 461 (Ashburn) Intro 2/21/07	Investments in a "Foreign Terrorist State"	Would have prohibited CalSTRS and CalPERS from investing public employee retirement funds in companies with business operations in a "foreign terrorist state." Would have required the boards of these retirement systems to sell or transfer any investments with these companies and report to the Legislature regarding these investments. Sponsor: Author	Died in Senate
SB 901 (Padilla) Intro 2/23/07	Postretirement Employment and Earnings	Extends the current exemptions on post-retirement earnings limit until June 30, 2009, and repeals them on January 1, 2010. Sponsor: CalSTRS and LAUSD	Chapter 353, Statutes of 2007



## 2006 State Legislation (2005–06 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 2215 (Goldberg) Intro 2/22/06	Benefits for LAUSD Board Members	Would have required the Los Angeles Unified School District to provide compensation to trustees who serve on its governing board according to a formula based on their level of duties. It also would have specified that trustees must receive the same employment benefits, including retirement benefits, as credentialed LAUSD employees. Sponsor: Author	Died in Assembly
AB 2462 (Mullin) Intro 2/23/06	Administrative and Compliance Services For Employer Deferred Compensation Plans	Specifies key components of due diligence that school employers must perform during their selection of a third-party administrator for their deferred compensation plans, including CalSTRS. Authorizes the board to contract to supply administrative and compliance services for employer-sponsored deferred compensation plans to school districts that contract with CalSTRS for those services. Allows the costs for TPA services to be paid by participants, establishes a start-up funding mechanism and requires school districts to review ability of TPAs to meet specified standards. Sponsor: CalSTRS	Chapter 780, Statutes of 2006
AB 2570 (Arambula) Intro 2/23/06	Investments	Among other things, would have required large public pension funds report annually to the Controller on investments made in California and California's emerging domestic markets. Also stated legislative intent that local retirement systems invest in those emerging domestic markets within the state. Sponsor: California Association for Local Economic Development	Governor Veto (9/29/06)
AB 2793 (Arambula) Intro 2/24/06	Retiree Health And Welfare Benefit Costs; Actuarial Standards For Funding	Would have required actuarial standards be developed by the Department of Education and used by school districts to report costs associated with retiree health and welfare benefits and be included in the criteria adopted by the Board of Education to identify schools experiencing financial difficulties; would have required the governing board of each school district to certify in its annual statements, its ability to pay the normal cost of retiree health and welfare benefits for the current and succeeding two fiscal years. Sponsor: Author	Died in Assembly



## 2006 State Legislation (2005–06 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 2941 (Koretz) Intro 2/24/06	Investments; Sudan	Prohibits CalSTRS and CalPERS from investing in companies with business operations in Sudan that meet specified criteria, and establishes procedures for identifying, engaging and divesting from such companies; indemnifies from the General Fund all past, present, future board members, officers, employees and investment managers from liability sustained by reason of any decision not to invest in companies with business operations in Sudan pursuant to the bill. Sponsor: Sacramento Committee on Conscience, Sudan Divestment Task Force	Chapter 442, Statutes of 2006
AB 2970 (Pavley) Intro 2/24/06	Postretirement Earnings Limitation	Among other things, would have permanently eliminated the postretirement earnings limit for retired DB members who are at or over age 60; would have established a permanent exemption for retired members under age 60 who wait a period of 12 consecutive months after retiring before returning to perform creditable service. Sponsor: LAUSD	Died in Assembly
ACA 5 (Richman) Intro 12/6/04	Mandatory Defined Contribution Plan	Beginning July 1, 2007, would have required all state, school and local public employers to offer new employees only defined contribution retirement plans, and allowed current public employees to transfer money from their existing defined benefit retirement plan to the employer-sponsored defined contribution plan offered to new employees. Sponsor: Author	Died in Assembly
ACA 23 (Richman) Intro 9/8/05	Defined Contribution Plan	Would have established a new defined benefit retirement program with a voluntary supplementary defined contribution component under the State Teachers' Retirement Plan for credentialed employees hired on or after July 1, 2007. Sponsor: Author	Died in Assembly
ABX1 3 (Richman) Intro 4/14/05	Implementation of ACAX1 8	Among other things, would have implemented ACAX1 8 that would establish defined contribution and hybrid retirement programs under the State Teachers' Retirement Plan for credentialed employees hired on or after July 1, 2007; would have required any amendment to the DB Program benefit formula that determines retirement benefits to apply only to service performed by the member on and after the effective date of the constitutional amendment. Sponsor: Author	Died in Assembly



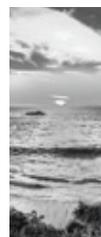
## 2006 State Legislation (2005–06 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
ABX1 5 (Torrico) Intro 5/24/05	Benefit Fraud	Would have imposed criminal and civil penalties on CalSTRS members, beneficiaries, participants and the people who assist them, that make false material statements or representations in order to receive CalSTRS benefits; would have established a crime for people to accept a payment from CalSTRS with the knowledge that they are not entitled to the benefit.	Died in Assembly
ACAX1 1 (Richman) Intro 1/6/05	Mandatory Defined Contribution Plan	Would have required all state, school and local public employers to offer their new employees, beginning July 1, 2007, only defined contribution retirement plans, and allowed current public employees to transfer money from their existing defined benefit retirement plan to the employer-sponsored defined contribution plan offered to new employees. Sponsor: Governor	Died in Assembly
ACAX1 8 (Richman) Intro 4/14/05	Defined Contribution and Hybrid Plans	Beginning July 1, 2007, would have required all state, school and local public employers to offer their new employees the choice of hybrid or defined contribution retirement plans, and permitted current public employees to transfer money from their existing defined benefit retirement plan to the employer-sponsored retirement plan offered to new employees. Sponsor: Author	Died in Assembly
SB 1124 (Torlakson) Intro 1/4/06	Postretirement Earnings Limitation	Would have, among other things, created a new exemption to the postretirement earnings limit for a member who had been retired for at least six months and provided mentoring services in a high-priority school. Sponsor: Author	Died in Assembly
SB 1207 (Alarcon) Intro 1/26/06	Corporate Governance	Allows publicly traded California corporations that do not allow cumulative voting, to elect a person running unopposed for its board of directors by majority vote. Sponsor: CalSTRS, CalPERS	Chapter 871, Statutes of 2006



## 2006 State Legislation (2005–06 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 1457 (Simitian) Intro 2/23/06	Retiree Health and Welfare Benefits, Actuarial Standards	Would have required the Department of Education to develop actuarial standards for school districts that provide their retired employees health and welfare benefits, and report to the Legislature and Department of Finance on districts' progress annually; would have required districts to perform an actuarial study of their retiree health and welfare benefit liabilities, identify a funding source and provide funding in their budgets, and report the results to their county office of education. Sponsor: Author	Died in Senate
SB 1465 (Soto) Intro 2/23/06	Minor Policy Bill	Establishes a threshold for the payment and collection of benefit adjustments; provides a monthly benefit to dependent children under the Coverage B Survivor Benefits Program when there is no surviving spouse or partner at the time of the active member's death; changes service credit purchase and benefit calculation provisions; allows members to purchase up to two years of permissive service for time spent teaching in the Peace Corps; and eliminates two redundant reports to the Legislature. Sponsor: CalSTRS	Chapter 654, Statutes of 2006
SB 1466 (PE&R) Intro 2/23/06	Technical Housekeeping Bill	Makes a variety of technical and conforming changes to the Teachers' Retirement Law to facilitate efficient administration of the system. Sponsor: CalSTRS	Chapter 655, Statutes of 2006
SB 1514 (Maldonado) Intro 2/23/06	Retiree Health and Welfare Benefits, Actuarial Standards	Would have required all school districts or county offices of education that provide health and welfare benefits to their retired employees to report the accrued, unfunded cost of the benefits to the district's governing board on an annual basis, regardless of whether the benefit continues or stops once the retiree reaches age 65. Sponsor: Author	Died in Senate
SJR 15 (Dutton) Intro 6/21/05	Social Security Offsets	Requests that the U.S. President and Congress enact legislation that would remove the burdensome effects of the Government Pension Offset and the Windfall Elimination Provision from the Social Security Act. Sponsor: CRTA	Resolution Chapter 62, Statutes of 2006



## 2005 State Legislation (2005–06 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 55 (Mullin) Intro 12/6/04	Supplemental Benefit Maintenance Account	Would have increased contributions to the Supplemental Benefit Maintenance Account beginning in fiscal year 2008–09 through 2012–2013 to offset reduced contributions in 2003–04. Sponsor: Teachers' Retirement Board, CTA, CRTA	Governor Veto (10/7/05)
AB 224 (PER&SS) Intro 2/3/05	Technical Housekeeping	Makes a variety of technical and conforming changes to the Teachers' Retirement Law to facilitate efficient administration of the system. Sponsor: Teachers' Retirement Board	Chapter 351, Statutes of 2005
AB 256 (De La Torre) Intro 2/8/05	Study: Statewide Health Care Pool for School Employees	Among other things, requires CalPERS consult with CalSTRS to evaluate the feasibility of creating single statewide health care pool for all school employees and report its findings to the Legislature. Sponsor: CSEA	Chapter 708, Statutes of 2005
AB 310 (Umberg) Intro 2/10/05	Defined Contribution Retirement Plans	Would have established performance requirements and fee limits on providers of mandatory defined contribution retirement plans to public employees. Sponsor: CSEA	Governor Veto (9/29/05)
AB 1044 (Aghazarian) Intro 2/16/05	Elected Public Officers	Requires elected public officers convicted of a felony arising out of official duties to forfeit the retirement benefits that accrue on or after January 1, 2006, solely as a result of their service in office and receive only the employee contributions made during their term. Sponsor: Author	Chapter 322, Statutes of 2005
ACR 11 (Dymally) Intro 1/31/05	Investments in Sudan	Encourages CalSTRS and CalPERS to persuade companies doing business in Sudan to avoid taking actions that promote or enable human rights violations in that country. Sponsor: Author	Resolution Chapter 98, Statutes of 2005
SB 439 (Simitian) Intro 2/17/05	Public Records Act	Specifies which information relating to public retirement systems alternative investments is subject to disclosure or protected from disclosure under the California Public Records Act. Sponsor: University of California, CalPERS	Chapter 258, Statutes of 2005



## 2005 State Legislation (2005–06 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 525 (Torlakson) Intro 2/18/05	Termination Benefits	Reduces the one-year waiting period to six consecutive months for both members of the DBS Program and participants of the CB Benefit Program to receive a termination benefit; prohibits the payment of more than one termination benefit under either program during a single five-year period. Sponsor: CalSTRS	Chapter 661, Statutes of 2005
SB 973 (Kuehl) Intro 2/2/05	Registered Domestic Partnership	Makes various technical changes to the provisions of the Teachers' Retirement Law, which implemented the California Domestic Partner Rights and Responsibilities Act of 2003 (AB 205), and clarifies that a DB members' registered domestic partners must sign preretirement option election forms before they are submitted to CalSTRS. Sponsor: Equality California	Chapter 418, Statutes of 2005



## 2004 State Legislation (2003–04 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 212 (Maze) Intro 1/29/03	Retirement Incentive Program	Would have established a new retirement incentive program to allow school districts to add four years of service credit to those DB members who agree to retire prior to May 16, 2007. Sponsor: Author	Died in Senate
AB 265 (Mullin) Intro 2/4/03	Supplemental Benefit Maintenance Account	Would have increased contributions to the SBMA beginning in fiscal year 2004–05 through 2010–11 to offset reduced contributions in 2003–04. Sponsor: CalSTRS, CTA	Died in Senate
AB 419 (PER&SS) Intro 2/14/03	Teachers’ Retirement Board	Allows CB Benefit Program participants to vote in all board elections; specifies candidates must run for the seat in which they accrued the most service during the prior school year and extends reimbursement provisions. Sponsor: CalSTRS, CFT, CTA, ACSA, FACCC	Chapter 11, Statutes of 2004
AB 849 (Lieber) Intro 2/20/03	Investments	Would have required state or local agencies that invest public funds with, or purchase financial instruments from, financial institutions use financial institutions that have a specified rating under the federal Community Reinvestment Act. Sponsor: Author	Died in Assembly
AB 1209 (Nakano) Intro 2/21/03	Public Records Act	Makes minor changes to the Public Records Act requirements related to agency plans in dealing with acts of terrorism or other criminal acts. Sponsor: State and Consumer Services Agency, Office of Homeland Security	Chapter 8, Statutes of 2004
AB 1586 (PER&SS) Intro 2/21/03	Community College Employees	Permits the recalculation of benefits paid to part-time adult education and community college employees who were members of the DB Program prior to July 1, 1996. Sponsor: CalSTRS, FACCC	Chapter 442, Statutes of 2004
AB 1852 (Mullin) Intro 1/29/04	Partial Lump- Sum Benefit	Expands eligibility for the partial lump-sum benefit. Sponsor: CTA	Chapter 935, Statutes of 2004
AB 2036 (La Suer) Intro 2/17/04	Concurrent Retirement; Benefit Enhancements	Would have allowed community college instructors who are concurrent members of the DB Program and CalPERS to use service credit in both systems to qualify for CalSTRS benefit enhancements. Sponsor: Author	Died in Assembly



## 2004 State Legislation (2003–04 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 2232 (PER&SS) Intro 2/18/04	Service Credit From Unused Sick Leave	Would have changed the divisor used in the calculation to convert accumulated unused sick leave to service credit for members of the DB Program by requiring the divisor reflect the appropriate minimum full-time equivalent for each class of employees. Sponsor: FACCC	Died in Senate
AB 2233 (PER&SS) Intro 2/18/04	Technical Housekeeping	Makes a variety of technical and conforming changes to the Teachers' Retirement Law to facilitate efficient administration of the system. Sponsor: CalSTRS	Chapter 912, Statutes of 2004
AB 2391 (Koretz) Intro 2/19/04	Legal Services Contracts	Would have prohibited state agencies from contracting for legal services if the hourly rate is more than 250 percent the hourly rate billed to state agencies for attorneys in State Bargaining Unit 2. Sponsor: CA Attorneys, Administrative Law Judges, Hearing Officers and Deputy Labor Commissioners in State Employment	Died in Assembly
AB 2554 (Pavley) Intro 2/20/04	Postretirement Earnings Exemption	Extends for up to two years an existing exemption for retired DB Program members who fill a vacant administrative position in an emergency situation. Extends required retirement date and sunset date for other existing exemptions. Sponsor: LAUSD	Chapter 934, Statutes of 2004
AB 2680 (Negrete McLeod) Intro 2/20/04	CalSTRS Headquarters Facility	Expands the geographic area in which CalSTRS may locate its headquarters facility within the Sacramento metropolitan area to include eastern Yolo County. Sponsor: CalSTRS	Chapter 378 Statutes of 2004
AB 2752 (Chu) Intro 2/20/04	Corporations	Would have required corporations doing business in California to make their election procedures available to shareholders, post them on their website, and file them with the California Secretary of State. Sponsor: Secretary of State	Governor Veto (9/22/04)
AB 2753 (Corbett) Intro 2/20/04	Retirement Incentive Program	Would have prohibited any member who retires with a Retirement Incentive Program benefit from accepting any job for up to one year from after their retirement date from the district they retire from and would have made technical amendments to the incentive programs established by Chapter 313, Statutes of 2003. Sponsor: Author	Died in Senate



## 2004 State Legislation (2003–04 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 3076 (Mullin) Intro 3/11/04	DB Program Mandatory Membership	Bases the threshold for mandatory membership in the DB Program on a community college employee's basis of employment for the school year, rather than on the amount of service performed in one pay period. Sponsor: CalSTRS, CTA, FACCC	Chapter 474, Statutes of 2004
AB 3094 (PER&SS) Intro 3/11/04	Direct Deposit Funds	Permits state and county retirement systems to recover funds sent by direct deposit to financial institutions, following the death of the person entitled to receipt of the benefits. Sponsor: CalPERS, CalSTRS	Chapter 506, Statutes of 2004
AJR 79 (Chu) Intro 4/12/04	Shareholder Access	Requests the Securities and Exchange Commission to implement its proposed shareholder participation rules in order to address the need for reform in corporate transparency and give shareholders access to the proxy. Sponsor: Secretary of State	Resolution Chapter 92, Statutes of 2004
SB 102 (Burton) Intro 1/29/03	Unused Sick Leave	Allows up to two-tenths of one year of unused sick leave to count towards qualifying for one-year final compensation, longevity bonus and other benefit enhancements. Sponsor: CalSTRS, CTA	Chapter 911, Statutes of 2004
SB 147 (Torlakson) Intro 2/6/03	Health Security Accounts	Would have established the Health Security Account Program for retired members, their spouses and dependents to be financed by employer contributions. Sponsor: Author	Died in Senate
SB 272 (Soto) Intro 2/18/03	Social Security Coverage	Would have required community college districts to offer Social Security coverage to part-time community college faculty no later than July 1, 2004. Sponsor: FACCC	Died in Senate
SB 766 (Florez) Intro 2/21/03	Securities	Would have expanded the ability of public pension funds to hold liable those who provide misleading information that is used when deciding to buy or sell a security. Sponsor: Berman, Devalerio, Pease, Tabacco, Burt & Pucillo	Died in Senate
SB 1137 (Burton) Intro 1/20/04	Teachers' Retirement Board Elections	Would have authorized the election of a retired member of the board by retired members of the DB Program, participants of the CB Benefit Program receiving an annuity, and members who are receiving a disability allowance, to a four-year term beginning January 1, 2006. Sponsor: CRTA	Governor Veto (9/15/04)



## 2004 State Legislation (2003–04 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 1632 (Figueroa) Intro 2/20/04	Corporate Investments	Would have required public pension systems in California to obtain specific information from corporations in which they invest, related to their adherence to, and violations of, environmental, public health and human rights standards. Also would have required the systems to report to the Legislature, to the extent feasible. Sponsor: Natural Heritage Institute, California Right to Know Coalition	Died in Senate



## 2003 State Legislation (2003–04 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 91 (Dutton) Intro 1/8/03	Cash Balance Benefit Program	Originally would have permitted part-time classified employees to participate in the CB Benefit Program as of July 1, 2004. Sponsor: CalSTRS	Provisions applicable to CalSTRS deleted
AB 106 (Corbett) Intro 1/10/03	Survivor Benefits	For purposes of receiving survivor benefits under the DB Program, defines a spouse as a person who was continuously married to a member for less than 12 months prior to the accidental death of the member, or for the period beginning prior to the occurrence of the injury or diagnosis of an illness that resulted in the member's death. Sponsor: Author	Chapter 548, Statutes of 2003
AB 205 (Goldberg) Intro 1/28/03	Domestic Partnerships	Extends the rights, protections, benefits, responsibilities, obligations and duties of current, former and surviving married spouses to current, former and surviving registered domestic partners in California; requires that any formal, same-sex union created in another state be recognized as a registered domestic partnership in California. Sponsor: California Alliance for Pride & Equality	Chapter 421, Statutes of 2003
AB 434 (Hancock) Intro 2/14/03	Defined Benefit Program: Earnings Limitation Exemption	Originally would have extended an existing exemption from the earnings limitation for DB Program members who return to provide direct classroom instruction to pupils in K–12, as specified; would have extended the exemption to members who retired on or before January 1, 2003; would have extended the sunset date from July 1, 2005, to January 1, 2010. Sponsor: CTA, CCRTA	Provisions applicable to CalSTRS deleted
AB 1207 (Corbett) Intro 2/21/03	Defined Benefit Program: Retirement Incentive Program	Reopens and makes permanent an existing retirement incentive program that provides an additional two years of service credit to members of the DB Program employed by participating school districts able to demonstrate cost savings; establishes a new retirement incentive program that allows school districts to add two years of service credit and two years of age to the age factor calculation in determining a member's retirement allowance. Sponsor: Association of California School Administrators, CFT, CTA, FACCC, Small School Districts Association	Chapter 313, Statutes of 2003



## 2003 State Legislation (2003–04 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 1764 (Budget & Fiscal Review) Intro 3/11/03	Supplemental Benefit Maintenance Account	Originally would have decreased the SBMA transfer by an additional \$58 million in 2003–2004.	Provisions applicable to CalSTRS deleted
AJR 29 (Pavley) Intro 4/10/03	Social Security Act	Requests the U.S. President and Congress enact legislation removing the burdensome effects of the Government Pension Offset and the Windfall Elimination Provision of the Social Security Act. Sponsor: CTA, United Teachers of Los Angeles	Resolution Chapter 65, Statutes of 2003
SB 269 (Soto) Intro 2/18/03	Management Compensation	Allows the board and the California Public Employees' Retirement System's Board of Administration to set salary levels and performance standards for the positions of Chief Executive Officer, System Actuary, Chief Investment Officer and investment managers. Also restricts individuals employed in these positions for less than five years from being paid to influence the actions of the retirement system, or decisions of its governing board, for two years following the end of their employment with the retirement system.	Chapter 856, Statutes of 2003
SB 627 (PE&R) Intro 2/21/03	CalSTRS Technical Housekeeping	Makes various grammatical, technical and conforming changes to the Teachers' Retirement Law to facilitate efficient administration of the State Teachers' Retirement Plan. Sponsor: CalSTRS	Chapter 859, Statutes of 2003
SBX1 20 (Budget & Fiscal Review) Intro 3/3/03	Supplemental Benefit Maintenance Account	Reduces the General Fund transfer to the SBMA by \$500 million for the 2003–04 fiscal year. Also requires the board, beginning in 2006 and based on an actuarial valuation, to report to the Legislature and the Director of Finance every four years on whether the full 80 percent purchasing power payment could still be maintained through June 30, 2036, despite the loss of the contributions. If the board determines prior to July 1, 2036, that the loss of \$500 million in contributions results in its inability to sustain the current program through 2035–36, then, subject to certification by the Director of Finance, the \$500 million, plus interest, will be repaid the following year.	Chapter 6, Statutes of 2003



## 2003 State Legislation (2003–04 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SCR 11 (Soto) Intro 2/18/03	Affordable HIV and AIDS Drugs	Encourages state and local public retirement systems to urge drug companies to make HIV and AIDS drugs affordable to patients in less developed countries. Also makes findings regarding the effects of the HIV and AIDS pandemic in Africa and the insufficiency of pharmaceutical manufacturers' response. Sponsor: AIDS Care Foundation of Los Angeles	Chapter 111, Statutes of 2003



## 2002 State Legislation (2001–02 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 131 (Corbett) Intro 1/22/01	Federal Tax Law Conformity	Conforms California law to the rollover and service credit purchase provisions of the federal Economic Growth and Tax Relief Reconciliation Act of 2001. Permits members retiring in 2002 to purchase service credit with newly authorized rollover funds. Sponsor: California Chiropractic Association	Chapter 30, Statutes of 2002
AB 979 (Cedillo) Intro 2/23/01	Members Called To Active Military Duty	Would have exempted members of the DB Program and the CB Benefit Program called to active military duty between September 11, 2001, and July 20, 2005, from paying the required member contributions for up to one year and receive retirement benefits for their military service. Sponsor: California School Employees Association, Service Employees International Union	Died in Assembly
AB 1122 (Corbett) Intro 2/23/01	Federal Tax Law Conformity	Among other things, conforms California law to the retirement plan provisions of the EGTRRA. Sponsor: Franchise Tax Board	Chapter 35, Statutes of 2002
AB 1710 (Negrete McLeod) Intro 3/7/01	Community College District Alternative Retirement Plan Offering	Would have required community college districts to offer an alternative retirement plan and Social Security to all part-time employees. Alternative retirement plans would impose a minimum employer contribution of 4 percent of the employee's salary and a minimum total contribution rate of 8 percent. Sponsor: FACCC	Governor Veto (9/30/02)
AB 1743 (Campbell) Intro 1/7/02	Federal Tax Law Conformity	Among other things, would have conformed California law to the retirement plan provisions of the federal EGTRRA.	Died in Assembly
AB 1744 (Corbett) Intro 1/7/02	Federal Tax Law Conformity	Would have conformed California law to the rollover and service credit purchase provisions of the EGTRRA. Permits members retiring in 2002 to purchase service credit with newly authorized rollover funds.	Died in Assembly
AB 1975 (Koretz) Intro 2/14/02	Leaves Of Absence	Would have required community college districts to grant paid leaves of absence, with benefits, to one community college employee per campus who serves as staff of an employee organization. Sponsor: CFT	Governor Veto (9/28/02)



## 2002 State Legislation (2001–02 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 1995 (Correa) Intro 2/15/02	Corporate Accountancy	Would have prohibited California accountants from certifying corporate financial statements if their accounting firm performs nonaudit services for the firm's client, other than tax preparation and SEC document review.	Died in Assembly
AB 2137 (Lowenthal) Intro 2/20/02	Additional Years of Service Credit	Would have provided two additional years of service credit, at employer expense, to specified members with National Board certification who perform three years of service credit after January 1, 2003, in a low performing school.	Died in Assembly
AB 2174 (Lowenthal) Intro 2/20/02	Age Factor of New Members	Would have changed age factors for new members to factors that are actuarially adjusted.	Died in Assembly
AB 2451 (Salinas) Intro 2/21/02	Unused Sick Leave	Would have permitted part-time community college employees to have value of unused sick leave at the time of retirement credited, at employer expense, to their existing alternative retirement plan account, or CB Benefit Program account. Sponsor: FACCC	Governor Veto (9/29/02)
AB 2506 (Steinberg) Intro 2/21/02	403(b) Investment Options	Establishes a 403(b) registration program in CalSTRS that provides information on 403(b) investment options on the CalSTRS Web site. Sponsor: United Teachers Los Angeles	Chapter 1095, Statutes of 2002
AB 2646 (Liu) Intro 2/22/02	Medicare Part B	Would have required CalSTRS to pay Medicare Part B premiums. Sponsor: ACSA, CFT, CTA, FACCC	Died in Assembly
AB 2767 (Pavley) Intro 2/25/02	Social Security	Would have required Department of Education to conduct a study by July 1, 2004, on the WEP and GPO of Social Security.	Died in Senate
AB 2970 (Wayne) Intro 2/25/02	Independent Auditors	Requires a one-year cooling-off period before an independent auditor may accept a senior-management job with a former audit client.	Chapter 232, Statutes of 2002
AB 2982 (PER&SS) Intro 2/28/02	Calstrs Technical Housekeeping	Makes a variety of technical and conforming changes to the Teachers' Retirement Law to improve system administration. Sponsor: CalSTRS	Chapter 375, Statutes of 2002



## 2002 State Legislation (2001–02 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
ACR 55 (Migden) Intro 4/16/01	HIV / AIDS Drug Costs	Would have encouraged California's public employee retirement systems to support shareholder resolutions to reduce HIV and AIDS drug costs in less-developed countries.	Died in Assembly
AJR 6 (Canciamilla) Intro 3/5/01	Federal Retirement Security and Savings Act	Requests that Congress enact legislation similar to last year's H.R. 1102 to raise contribution limits and expand pension portability among various types of public and private pension plans. Sponsor: State Association of County Retirement Systems	Resolution Chapter 121, Statutes of 2002
SB 461 (Torlakson) Intro 2/22/01	Prescription Drug Coverage	Would have required CalSTRS to provide high deductible coverage for prescription drugs to retired members of the DB Program with unspecified minimum levels of credited service. Sponsor: ACSA, CTA	Died in Assembly
SB 657 (Scott) Intro 2/23/01	Federal Tax Law Conformity	Among other things, conforms California law to the retirement plan provisions of the federal EGTRRA. Sponsor: Franchise Tax Board	Chapter 34, Statutes of 2002
SB 728 (Machado) Intro 2/23/01	State Employee Members of CalSTRS	Ratifies collective bargaining agreements and temporarily reduces member contributions rates to specified state members of CalSTRS and CalPERS. Sponsor: Department of Personnel Administration	Chapter 14, Statutes of 2002
SB 1020 (Escutia) Intro 2/23/01	Increased School Year	Would have offered fiscal incentives to schools to increase the school year in grades seven and eight and either grade six or nine by 20 days, or other specified days and hours for year-round schools.	Died in Assembly
SB 1256 (Brulte) Intro 1/9/02	Federal Tax Law Conformity	Among other things, would have conformed California law to the retirement plan provisions of the federal EGTRRA.	Died in Senate
SB 1315 (Sher) Intro 1/24/02	Prescription Drug Purchasing Pool	Requires specified agencies to join a statewide pool to purchase prescription drugs at a reduced cost and permits other state agencies, such as CalSTRS, to participate in the pool. Sponsor: California Public Interest Research Group	Chapter 483, Statutes of 2002
SB 1318 (Karnette) Intro 1/24/02	Employer- Paid Member Contributions	Allows an employer to pay all or part of a member's contributions to the DB and DBS programs. Sponsor: United Teachers Los Angeles	Chapter 115, Statutes of 2002



## 2002 State Legislation (2001–02 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 1527 (Burton) Intro 2/20/02	Accountants	Would have required a California accountancy firm to certify that it will not perform nonaudit services for a publicly traded audit client, other than tax preparation and SEC document review.	Died in Assembly
SB 1580 (Burton) Intro 2/20/02	Teachers' Retirement Board	Requires three members of the board who currently are appointed by the Governor to represent active CalSTRS members to be elected by the membership. Requires all Governor appointments be approved by the Senate. Sponsor: CFT	Chapter 1049, Statutes of 2002
SB 1746 (Polanco) Intro 2/21/02	Elected Officials as Appointees To Public Retirement Boards	Expresses legislative intent to permit an elected official of a local agency to be appointed to a California public retirement board if the specified requirements are met. Sponsor: Author	Chapter 289, Statutes of 2002
SB 1983 (Soto) Intro 2/22/02	Options 6 & 7	Modifies Options 6 and 7, changes calculation of postretirement earnings limits and authorizes CalSTRS' investments in employer surplus and real property. Sponsor: CalSTRS, CTA	Chapter 903, Statutes of 2002
SCA 2 (Burton) Intro 1/23/01	Annual Budget Act	Would have required CalSTRS and CalPERS support expenditures be approved in the annual Budget Act beginning in 2003–04 and authorizes the Governor and Legislature to request an independent actuarial review of CalSTRS and CalPERS.	Died in Senate
SJR 9 (Costa) Intro 3/7/02	Investments in Foreign Business	Would have requested that Congress identify and prohibit investments in foreign businesses that threaten U.S. national security interests.	Died in Senate
SR 22 (Dunn) Intro 9/14/01	Investments in Wholesale Energy	Would have requested that each state agency, including CalSTRS, determine whether to continue investing in any wholesale energy-related business that has refused to comply with a subpoena issued by a specified Senate Select Committee.	Died in Senate



## 2001 State Legislation (2001–02 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 135 (Havice) Intro 1/23/01	Purchasing Power Protection	Increases purchasing power protection from 75 percent to 80 percent. Sponsor: ACSA	Chapter 840, Statutes of 2001
AB 607 (Negrete McLeod) Intro 2/22/01	Career Factor	Would have increased current 2.4 percent limit on combined age factor and career factor for members who retire on or after January 1, 2002, to 2.6 percent.	Died in Assembly
AB 649 (Negrete McLeod) Intro 2/22/01	Alternative Retirement Plans for Part-Time Community College Employees	In previous version, required community college districts to offer Social Security coverage and an alternative retirement plan to their part-time employees and allows part-time classified community college employees to participate in CB Benefit Program, if offered by employer. Provisions deleted and replaced with provisions to ratify memorandum of understanding between the state and state employees. Sponsor: Department of Personnel Administration	Chapter 364, Statutes of 2001; effective 9/27/01
AB 804 (Education) Intro 2/22/01	Notification of CBEST Requirements	Requires that the board notify members about the time constraints and possible requirements for passing the California basic educational skills test if the individual wants to return to the classroom after 39 months. Sponsor: Department of Education	Chapter 734, Statutes of 2001
AB 906 (Salinas) Intro 2/23/01	Contribution Rates	Provides legislative ratification of collective bargaining agreements reached between the state and Bargaining Units 10, 12, 13, 16, 18 and 19 and includes benefit enhancements for specified state employees not represented by an employee organization. Sponsor: Department of Personnel Administration	Chapter 365, Statutes of 2001; effective 9/27/01
AJR 3 (Leonard) Intro 2/16/01	Repeal of the Social Security GPO and WEP	Requests that Congress repeal the Government Pension Offset and the Windfall Elimination Provision on Social Security benefits. Sponsor: CFT	Resolution Chapter 66, Statutes of 2001
SB 165 (O'Connell) Intro 2/1/01	Election of CalPERS or CalSTRS Membership	Permits a vested member of CalPERS not employed in an education-related position who accepts employment to perform creditable service covered by the DB Program, to elect to be excluded from CalSTRS and retain membership in CalPERS. Sponsor: ACSA	Chapter 77, Statutes of 2001



## 2001 State Legislation (2001–02 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 191 (Karnette) Intro 2/28/01	Retirement and health benefits	Would have required CalSTRS make annual contributions to members' DBS Program accounts until July 1, 2011, based on their years of credited service; pay the Medicare Part B premiums of active and retired DB Program members who are at least 55 years of age; established nominal accounts and credit each with \$600 per year to pay healthcare insurance premiums for DB Program members who retired before January 1, 2001. Sponsor: California Legislative Council of Professional Engineers	Died in Senate
SB 334 (Ortiz) Intro 2/20/01	Teachers' Retirement Benefits Following Reinstatement	As an urgency measure, increases benefits for members who retired from service, reinstate and perform creditable service for two years following reinstatement from a prior retirement.	Chapter 800, Statutes of 2001; effective 10/13/01
SB 499 (Soto) Intro 2/22/01	CalSTRS Program Adjustments	Eliminates future education requirements for dependent children receiving a disability or family allowance under Coverage A; increases loan limits for the Home Loan Program; allows DB Program members who were former CB Benefit Program participants to purchase their prior CB service credit.	Chapter 803, Statutes of 2001
SB 501 (PE&R) Intro 2/22/01	CalSTRS Technical Housekeeping	Makes a variety of technical changes to the Teachers' Retirement Law to improve system administration.	Chapter 803, Statutes of 2001
SJR 4 (Soto) Intro 2/21/01	Elimination of the Social Security GPO and WEP	Requests that Congress eliminate the application of the GPO and the WEP on Social Security benefits.	Resolution Chapter 94, Statutes of 2001



## 2000 State Legislation (1999–00 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 107 (Knox) Intro 12/22/98	Tobacco Divestment	Would have prohibited new or additional investments in tobacco companies by CalSTRS and CalPERS on and after January 1, 2001 and would have required the divestment of existing tobacco investments by July 1, 2002. Also would have provided indemnification for board members. Sponsor: CFT	Died in Assembly
AB 141 (Knox) Intro 1/11/99	Earnings Limit Exemption	Extends a current exemption from the earnings limitation for retired members of CalSTRS who are employed under specified conditions to fill an administrative position vacated due to circumstances beyond the control of the employer. The extension could equal one-half of a full-time equivalent for the position and applies to the 1999–2000 school year and the 2000–2001 school year through December 31, 2000. Sponsor: California Association of School Business Officials	Chapter 22, Statutes of 2000; effective 6/1/00
AB 429 (Correa) Intro 2/12/99	Ad Hoc Payment	Provides ad hoc increase of between 1 percent and 6 percent to the annual allowance for current benefit recipients. Sponsor: CalSTRS	Chapter 1027, Statutes of 2000
AB 649 (Machado) Intro 2/23/99	Public Pension Reciprocity	Allows CalSTRS members who became employed by the state and eligible for CalPERS membership to elect to retain CalSTRS membership. Sponsor: Department of Personnel Administration	Chapter 402, Statutes of 2000
AB 684 (Honda) Intro 2/23/99	Compounded COLA	Would have changed the annual improvement factor applied to benefit payments from the DB Program from a 2 percent simple cost-of-living adjustment to a 2 percent compounded COLA. Sponsor: CFT	Died in Assembly
AB 816 (PER&SS) Intro 2/24/99	CalSTRS Technical Housekeeping	Makes a variety of technical and conforming changes to the Teachers' Retirement Law. Sponsor: CalSTRS	Chapter 1025, Statutes of 2000



## 2000 State Legislation (1999–00 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 820 (PER&SS) Intro 2/24/99	Minor Improvements to the State Teachers' Retirement Plan	Authorizes a CalSTRS member to redeposit a portion of previously refunded contributions; permits purchase of previously excluded service; allows naming of new spouse as an option beneficiary by a retired member receiving a Member-Only Benefit; expands participation in CB Benefit Program by trustees of governing boards. Sponsor: CalRTA, CTA	Chapter 1020, Statutes of 2000
AB 821 (PER&SS) Intro 2/24/99	One-Year Final Compensation	Bases final compensation on the highest average annual compensation earnable by a member during a consecutive 12-month period of employment, rather than highest three consecutive years, for members with at least 25 years of credited service. Sponsor: CFT, CTA, United Teachers Los Angeles	Chapter 1028, Statutes of 2000
AB 1509 (Machado) Intro 2/26/99	Defined Benefit Supplement Program	Requires that 25 percent of the contributions of members of the DB Program be credited for the next 10 years to a separate nominal account in the DBS Program.	Chapter 74, Statutes of 2000
AB 1733 (Wildman) Intro 1/6/00	Earnings Limit Exemption	Temporarily eliminates earnings limit exemption for members who return to work more than one year after retirement and increases limitation for other retired members. Sponsor: CTA	Chapter 896, Statutes of 2000
AB 1736 (Ducheny) Intro 1/6/01	Earnings Limit Exemption	Increases the earnings limit to \$22,000 and eliminates the postretirement earnings limitation requirement until 2008 for members who return to work after at least one year of retirement.	Chapter 351, Statutes of 2000
AB 1933 (Strom-Martin) Intro 2/15/00	Longevity Bonus	Pays a longevity bonus of \$200 to \$400 per month for members who retire after 2000 and accrue at least 30 years of credited service by 2011. Sponsor: CTA	Chapter 1029, Statutes of 2000
AB 2118 (Bock) Intro 2/22/00	CalSTRS and CalPERS Merger Study	Would have required CalSTRS and CalPERS to prepare and submit a report to the Legislature on the consequences of a merger of the systems.	Died in Senate



## 2000 State Legislation (1999–00 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 2201 (Honda) Intro 2/24/01	Final Compensation, Purchasing Power, Board Elections	Would have calculated final compensation on the highest 12 consecutive months; increased the retirement formula to 2 percent at age 55, provided a compounded COLA, increased purchasing power protection from 75 percent to 80 percent; and required the election of board members to the board. Sponsor: CTA	Died in Assembly
AB 2383 (Keeley) Intro 2/24/00	PEMHCA Eligibility, Health Benefits Study	Expands eligibility under the Public Employees Medical and Hospital Care Act to authorize contracting agencies and school employers to include certain part-time employees in coverage. Also requires CalSTRS to report on specified health benefits by April 1, 2001. Sponsor: CalSTRS	Chapter 874, Statutes of 2000
AB 2456 (Wright) Intro 2/24/00	Lump-Sum Payments	Allows members of the DB Program to elect to receive a lump-sum payment and a reduced monthly allowance for those who retire on or after January 1, 2002 and before 2011. Sponsor: FACCC	Chapter 897, Statutes of 2000
AB 2700 (Lempert) Intro 2/25/00	Creditable Compensation	Makes all compensation for creditable service creditable to CalSTRS and credits member and employer contributions for service in excess of 1.000 years of service per school year to the DBS Program. Sponsor: CalSTRS	Chapter 1021, Statutes of 2000; effective 1/1/02 & 7/1/02
AB 2745 (Kaloogian) Intro 2/25/00	Investments	Would have required CalSTRS and CalPERS to investigate and report to the Legislature with respect to investments in foreign companies that pose a threat to national security.	Died in Assembly
AB 2839 (Firebaugh) Intro 3/2/00	CalSTRS Retirement Formula	Would have increased the retirement formula to 2 percent at age 55, for CalSTRS members who retire on or after January 1, 2001. Sponsor: CFT	Died in Assembly
SB 39 (Baca) Intro 12/7/98	Career Bonus Benefit Enhancement	Would have increased the career bonus for members with 29 or more years of credited service who retire on or after January 1, 2000. Sponsor: CTA	Died in Senate



## 2000 State Legislation (1999–00 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 318 (Burton) Intro 2/8/99	Repeal of Multiple Employer Restriction in Cash Balance Benefit Program	Would have repealed provisions of current law that prohibit a member of the DB Program employed to perform less than 50 percent of the full-time equivalent for more than one employer from electing to participate in CB Benefit Program unless all of that member's employers participate in CB Benefit Program. Sponsor: CalSTRS	Died in Senate
SB 473 (Ortiz) Intro 2/17/99	Employer Purchase of Nonqualified Service Credit	Would have authorized a school district, community college district, or county office of education to pay all or part of a member's costs for nonqualified service credit. Sponsor: CalSTRS	Died in Senate
SB 1435 (Johnston) Intro 2/7/00	Health Benefits	Requires CalSTRS pay the premium of Medicare Part A for retired members of the DB Program not otherwise eligible for coverage without payment of premium. Sponsor: CalSTRS	Chapter 1032, Statutes of 2000
SB 1505 (Burton) Intro 2/15/00	Minimum Allowance Extension	Extends eligibility for the minimum guaranteed allowance paid to CalSTRS members, their option beneficiaries and surviving spouses, in varying amounts according to the member's years of credited service.	Chapter 1026, Statutes of 2000; effective 6/1/00
SB 1666 (Alarcon) Intro 2/22/00	Earnings Limit Exemption	Exempts from the earnings limit a member who retires for service on or before January 1, 2000, if the member returns to provide direct classroom instruction to pupils in K–12, or to provide support to new teachers, individuals completing student teaching assignments, or participating in the Pre-Internship Teaching Program, an alternative certification program, or the School Paraprofessional Teacher Training Program.	Chapter 70, Statutes of 2000
SB 1692 (Ortiz) Intro 2/22/00	Return to Service	Would have enhanced retirement benefits for retirees who reinstate for one year and re-retire. Sponsor: CalRTA, CTA, CFT, Faculty Attempting to Improve Retirement	Governor Veto (9/28/00)



## 2000 State Legislation (1999–00 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 1693 (Ortiz) Intro 2/22/00	Purchasing Power	Would have increased purchasing power protection payments from 75 percent of the initial allowance to 80 percent. Sponsor: CalRTA, Association of Retired Teachers, CTA, CFT	Died in Senate
SB 1694 (Ortiz) Intro 2/22/00	Election of CalPERS or CalSTRS Membership	Permits state members of CalPERS who perform service creditable to CalSTRS to remain in CalPERS; permits CalSTRS members who work for the state to remain in CalSTRS. Sponsor: State Department of Education	Chapter 880, Statutes of 2000
SB 1928 (Haynes) Intro 2/24/00	Investments	Would have required CalSTRS and CalPERS to investigate and report to the Legislature with respect to investments in foreign companies that pose a threat to national security. Sponsor: Author	Died in Assembly
SB 2105 (Lewis) Intro 2/25/00	Reporting for Charter Schools	Requires a school district or county office of education, as a chartering authority, to create any reports required of a charter school by CalSTRS or CalPERS.	Chapter 466, Statutes of 2000
SB 2122 (Ortiz) Intro 2/25/00	Investment Information	Encourages CalSTRS and CalPERS to cooperate and share information developing investment strategies and specifies that the confidential information and documents of each system will be preserved in the process. Sponsor: State Controller Kathleen Connell	Chapter 320, Statutes of 2000
SCA 16 (Burton) Intro 3/6/00	Budgetary Authority	Would have required that CalSTRS and CalPERS administrative and personnel budgets be approved in the annual Budget Act and authorized the Governor or the Legislature, once every five years, to cause an independent actuarial review to be conducted of CalSTRS.	Died in Senate



## 1999 State Legislation (1999–00 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 29 (Pacheco) Intro 12/7/98	Suspension and Expulsion of Pupils	In its original form, would have provided an exemption to the earnings limit for retired teachers returning to work to meet the objectives of the proposed Grade 10 Class Size Reduction Program established in the bill.	Provisions applicable to CalSTRS deleted
AB 81 (Cuneen) Intro 12/9/98	Income Tax Credits; Donation of Teachers to High Schools; Open Enrollment Spaces in Company-Sponsored Classes	Would have authorized a 50 percent tax credit through 2003 for taxpayers for qualified expenses incurred in lending qualified employees to public high schools, community colleges, or vocation institutions for the purpose of teaching math and science. Sponsor: Semiconductor Equipment Manufacturing International	Died in Assembly
AB 311 (Honda) Intro 2/8/99	Teachers' Retirement Board	Would have revised the composition of the board to require five members of the board to be elected, at an election provided for by the board, by the members of the group to which they belong for four-year terms. The terms would have commenced on January 1, 2001, or on January 1, 2002. Sponsor: CTA	Governor Veto (10/10/99)
AB 335 (Mazzoni) Intro 2/11/99	CalSTRS Earnings Limit Waiver for Class Size Reduction	Clarifies and conforms the existing earnings limitation exemption for retired teachers who returned to the classroom as a result of the K–3 Class Size Reduction Program to include the recently authorized Grade 9 Class Size Reduction Program and the future expansions of the Class Size Reduction Programs authorized by Part 28 of the Education Code. Sponsor: CalSTRS	Chapter 40, Statutes of 1999
AB 596 (Honda) Intro 2/19/99	Purchase of Service Credit	Member purchase of credit for Peace Corps and VISTA service.	Provisions applicable to CalSTRS deleted
AB 724 (Dutra) Intro 2/24/99	Y2K Remediation by State Agencies	Y2K remediation by state agencies.	Provisions applicable to CalSTRS deleted



## 1999 State Legislation (1999–00 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 819 (PER&SS) Intro 2/24/99	Internal Revenue Code 415 compliance	Establishes the Replacement Benefits Program in compliance with federal law; rescinds the election CalSTRS made exempting certain members from existing federal limitations on benefit payments; requires CalSTRS to restore benefits to certain members previously limited by federal law. Sponsor: CalSTRS	Chapter 465, Statutes of 1999
ABX1 12 (Runner) Intro 1/19/99	Rule of 85	Would have permitted a member of CalSTRS to retire for service on or after July 1, 2000, at age 55 or older without age-related allowance reduction if the sum of the member's age and credited service is at least 85.	Died in Assembly
AJR 9 (Correa, et al.) Intro 3/3/99	Mandatory Social Security	Encourages the U.S. Congress and President to exclude state and local employees from mandatory social security. Sponsor: CalSTRS	Resolution Chapter 40, Statutes of 1999
SB 73 (Murray) Intro 12/9/98	State contracts	State contracts; participation goals for small businesses (amended to exclude CalSTRS).	Governor Veto (10/10/99)
SB 105 (Burton) Intro 12/10/98	CalSTRS and CalPERS; Investments in Northern Ireland	Requires CalSTRS and CalPERS to investigate the extent to which the U.S. and international corporations operate in Northern Ireland. Sponsor: Author	Chapter 341, Statutes of 1999
SB 159 (Johnston) Intro 1/7/99	CalSTRS Health Care Benefits	Requires CalSTRS to develop a program to provide health benefits for members, beneficiaries, children and dependent parents and appropriates \$625,000 to develop the program. Sponsor: CalSTRS	Chapter 740, Statutes of 1999
SB 437 (Rainey) Intro 2/16/99	Restoration of Surviving Spouse Benefits Due to Remarriage	Restores benefits paid to a surviving spouse of a deceased member of CalSTRS if the surviving spouse previously lost entitlement to survivor benefits due to remarriage, prior to October 16, 1992. Sponsor: Author	Chapter 432, Statutes of 1999
SB 713 (Burton) Intro 2/24/99	CalSTRS Minimum Allowance for Career Members	Establishes minimum annual allowances payable to specified retired members of CalSTRS, their option beneficiaries and surviving spouses in varied amounts according to the member's years of credited service. Sponsor: CalSTRS	Chapter 632, Statutes of 1999



## 1999 State Legislation (1999–00 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 833 (Ortiz) Intro 2/25/99	Application of 1999 Enhanced Benefits to Existing Retired Members	Would have provided to CalSTRS members who retired in 1998 or received their first check in 1998, the benefit enhancements currently available to members who retired after 1999; would have increased the benefits of those members who are currently retired, but return to service for one year and whose total credited service equals or exceeds 30 years to reflect the career bonus in their entire allowance. Sponsor: CalRTA, Association of Retired Teachers, CTA, CFT, United Teachers Los Angeles, Faculty Attempting to Improve Retirement, FACCC, ACSA	Governor Veto (10/10/99)
SB 1074 (PE&R) Intro 2/26/99	CalSTRS Technical Housekeeping	Makes various technical and conforming changes to the Teachers' Retirement Law. Sponsor: CalSTRS	Chapter 939, Statutes of 1999
SB 1245 (Hayden) Intro 2/26/99	CalSTRS and CalPERS: Investments in Corporations Owing Compensation for Using Slave or Forced Labor in WWII	Authorizes any World War II slave labor or forced labor victim, or heir of the victim, to bring a court action in California to recover compensation for labor performed against any entity or successor in interest who received the benefit of that labor; requires CalSTRS to monitor and report until December 31, 2010, on investments in companies that do business in California that owe compensation to victims of slave labor from 1929 to 1945.	Chapter 216, Statutes of 1999



## 1998 State Legislation (1997–98 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 88 (Baca) Intro 12/30/96	Rule of 85	Would have allowed a member of CalSTRS, who is 55 years of age or older, to retire on or after July 1, 1998, with full retirement benefits if the member's age plus years of service credit equals or exceeds 85.	Governor Veto (9/13/98)
AB 884 (Honda) Intro 2/27/97	Compounded Annual Benefit Adjustment	Would have required the 2 percent annual benefit adjustment applied to benefit payments from the DB Program be compounded, beginning September 1, 1999.	Died in Senate
AB 1102 (Knox) Intro 2/27/97	Service Credit (Unused Sick Leave); Career Factor	Extends eligibility to receive credit at retirement for unused sick leave to members of the CalSTRS DB program who became members on and after July 1, 1980, and who retire on or after January 1, 1998; eliminates the restriction that currently prohibits a CalSTRS member who reinstates from service retirement from receiving credit at a subsequent retirement for unused sick leave accrued after termination of the original retirement; increases the age factor for members retiring on or after January 1, 1999, with 30 or more years of service by two-tenths of one percentage point.	Chapter 1006, Statutes of 1998
AB 1150 (Prenter) Intro 2/28/97	CalSTRS Benefits	Incrementally increased the age factor from 2 percent at age 60 to 2.4 percent at age 63.	Chapter 966, Statutes of 1998
AB 1166 (House) Intro 2/28/97	Community College Counselors and Librarians, Part Time and Adult Education	Establishes a minimum standard of 175 days or 1,050 hours for full-time service and compensation for California community college counselors and librarians; modifies the minimum standard service for adult education programs, and part-time credit and adult education community college instructors.	Chapter 678, Statutes of 1998



## 1998 State Legislation (1997–98 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 1744 (Knox, et al.) Intro 2/3/98	Tobacco Investments	Would have: prohibited new or additional investments by CalSTRS and CalPERS in tobacco companies on and after January 1, 1999; required phased divestment of one-third of current holdings each year beginning January 1, 2000, and continuing until January 1, 2002; required the board to make specified investment valuations at specified intervals; declare that specified results of such valuations be considered as a normal cost deficit pursuant to Section 22955 (Elder Full Funding); required both CalSTRS and CalPERS to report to the Legislature on or after January 1, 2002, regarding the effect of the divestiture on employer contribution rates; also would have provided indemnification for board members and their agents and employees in the event of lawsuit.	Died in Assembly
AB 2765 (PER&SS) Intro 2/26/98	CalSTRS Technical Housekeeping	Makes various technical and conforming changes to the Teachers' Retirement Law. Extends the sunset date on earnings exemption for retirees teaching in class size reduction. Deletes requirement for quarterly asset reports to the Legislature. Extends the sunset date to January 1, 2005, for electing Medicare coverage.	Chapter 965, Statutes of 1998
AB 2766 (PER&SS) Intro 2/26/98	Final Compensation for LAUSD	Would have revised the definition of final compensation for specified LAUSD members who retired in the early 1990s. Funding would have been provided by LAUSD.	Died in Senate
AB 2804 (PER&SS) Intro 3/12/98	Public Retirement Systems Benefits	Reamortizes the unfunded liability over 30 years; provides 65 percent of Elder Full Funding to pay for benefits.	Chapter 967, Statutes of 1998
SB 1021 (PE&R) Intro 2/27/97	Federal Compliance; Pension Simplification	Brings CalSTRS into compliance with federal changes applicable to the DB Program enacted by Congress under the Pension Simplification Act of 1996 and Taxpayers Relief Act of 1997. Sponsor: CalPERS	Chapter 1074, Statutes of 1998
SB 1486 (Rainey) Intro 2/4/98	CalSTRS Benefits	Under specified circumstances, authorizes retired members to designate a spouse as their new option beneficiary.	Chapter 262, Statutes of 1998



## 1998 State Legislation (1997–98 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 1528 (Schiff) Intro 2/10/98	CalSTRS Health Insurance	Authorizes the board to study providing health care benefits to members and families. Sponsor: CalRTA	Chapter 968, Statutes of 1998
SB 1945 (Karnette) Intro 2/19/98	CalSTRS Benefits	Establishes 100 percent financing in the Member Home Loan Program. Sponsor: Author, CalSTRS	Chapter 419, Statutes of 1998
SB 2047 (Lewis) Intro 2/20/98	CalSTRS Benefits	Adds Option 8 to allow for multiple option beneficiaries and modifies existing options, as specified. Sponsor: Author, CalSTRS	Chapter 349, Statutes of 1998
SB 2085 (Burton) Intro 2/20/98	CalSTRS Cash Balance Program	Merges the CalSTRS Cash Balance and Defined Benefit plans and renames both plans the State Teachers' Retirement Plan; deletes the Cash Balance Fund and requires contributions, earnings and any other amounts provided under the Cash Balance Plan to be deposited in the Teachers' Retirement Fund; also deletes the Cash Balance Plan Expense Account and authorizes all administrative costs of the CB Benefit Program from the Teachers' Retirement Fund. Pursuant to the merger, the \$1 million loan from the Defined Benefit Plan for the initial phase of the Cash Balance Plan is discharged.	Chapter 1048, Statutes of 1998
SB 2126 (PE&R) Intro 2/20/98	CalSTRS Benefits	Modifies SB 1027 of 1997 regarding the purchase of permissive and out-of-state service credit, as specified; permits the purchase of nonqualified service. Sponsor: CalSTRS	Chapter 1076, Statutes of 1998
SB 2224 (Alpert) Intro 2/20/98	CalSTRS Benefits	Provides for the return to a Member-Only Benefit for certain members, as specified. Sponsor: California Retired Teachers Association	Chapter 832, Statutes of 1998



## 1997 State Legislation (1997–98 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 18 (Mazzoni, et al.) Intro 12/2/96	Class Size Reduction; Earnings Limit Exemption	As an urgency measure, allows the earnings limitation exemption enacted by Chapter 948, Statutes of 1996 to become operative.	Chapter 1, Statutes of 1997; retroactive to 7/1/96
AB 206 (Hertzberg) Intro 2/4/97	Citizen Complaints to the State via the Internet	Requires state agencies to make available on their websites, on or before July 1, 1998, a plain-language form through which California residents can register complaints relating to the performance of that agency and requires agencies to provide certain information.	Chapter 416, Statutes of 1997
AB 373 (Morrissey) Intro 2/4/97	Extension of Postretirement Earnings Limit Exemption (Retirement Incentive Program)	Extends eligibility for an exemption from the postretirement earnings limitation to retired members who received additional service credit at retirement under the retirement incentive provisions, subject only to a one-year waiting period. Sponsor: Orange County Department of Education	Merged with AB 686; Chapter 572, Statutes of 1997
AB 686 (Baugh) Intro 2/26/97	Establish Classification of Special Education Instructors; Extension of Postretirement Earnings Limit Exemption (Retirement Incentive Program)	Provides authority for any County Office of Education, under specified circumstances, to establish two classes of employees for members of the DB Program who are employed in a special education program, as determined by the number of days required of employees in each class for full-time service; extends eligibility for an exemption from the postretirement earnings limitation to retired members who received additional service credit at retirement under the retirement incentive provisions, subject only to a one-year waiting period. Sponsor: Orange County Department of Education	Chapter 572, Statutes of 1997
AB 884 (Honda) Intro 2/27/97	Compounded Annual Benefit Adjustment	Would have revised compounding of annual benefit adjustment applied to benefit payments from the DB Program shall be compounded. Sponsor: California Federation of Teachers	Died in Senate
AB 885 (Honda) Intro 2/27/97	Teachers' Retirement Board	Would have required that the four teacher members of the board be elected by their respective constituencies, rather than appointed by the Governor. Sponsor: CTA	Governor Veto (9/29/97)



## 1997 State Legislation (1997–98 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 1421 (Lempert) Intro 2/28/97	Nonmember Spouse Final Compensation	Would have required that a nonmember spouse's service retirement allowance be calculated based on the member's earnable compensation as of the effective date of the nonmember spouse's retirement and proposed a similar change to CalPERS law.	Died in Assembly
AB 1597 (PER&SS) Intro 3/20/97	CalSTRS Technical Housekeeping	Would have made various technical and conforming changes to the Teachers' Retirement Law and extended the Retirement Incentive Program to 2004. Note: Due to a chaptering-out problem with SB 629, the Governor vetoed the bill at the author's request. The author agreed to reintroduce the bill next year. If the Governor had signed this legislation, it would have voided-out the provisions contained in SB 629. Sponsor: CalSTRS	Governor Veto (10/10/97); Author agreed to pursue next legislative session
ACR 4 (Perata) Intro 1/13/97	Investments Tobacco Advertisement Restriction	Urges the shareholders of R.J. Reynolds Tobacco Company to vote to discontinue the use of the character Joe Camel in its advertising.	Chapter 91, Statutes of 1997
SB 227 (Solis) Intro 1/30/97	Election of CalSTRS and CalPERS Membership; Chancellor's Office Employee, Change in Status	Permits members of CalSTRS who are employed by a community college district and subsequently become employed by a state agency, as specified, requiring membership in a different retirement system to elect to remain in CalSTRS under specified conditions; similarly allows a member of CalPERS, under specified conditions, to elect to remain in CalPERS; permits specified institutions and organizations to enter into an agreement for the loan or assignment of a Chancellor's Office employee, as specified; provides for specified CalPERS members to elect by March 1, 1998, to return to CalSTRS under certain conditions; requires a member who makes such an election to purchase the CalPERS service—CalPERS would transfer the actuarial present value of the assets of the member to CalSTRS. Sponsor: Chancellor's Office, California Community Colleges	Chapter 838, Statutes of 1997
SB 471 (Burton) Intro 2/19/97	CalSTRS Technical Housekeeping	Makes minor technical changes to the definition of "compensation" and related technical changes to other sections of the Teachers' Retirement Law. Sponsor: CalSTRS	Chapter 482, Statutes of 1997



## 1997 State Legislation (1997–98 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 629 (Karnette) Intro 2/25/97	Expand Disability Benefits	Expands eligibility for disability benefits by eliminating the minimum service credit requirement for members applying for a disability allowance or disability retirement because they were a victim of an unlawful act of bodily injury while performing their official duties. Sponsor: United Teachers Los Angeles	Chapter 386, Statutes of 1997
SB 1026 (Schiff) Intro 2/27/97	75% Purchasing Power Protection	Provides purchasing power protection of up to 75 percent of the benefit recipient's original purchasing power from the 2.5 percent annual General Fund contribution for as long as it could support that level of funding; allows the board to transfer funds from the TRF, increase employer contributions and decrease the benefit when the 2.5 percent annual General Fund contribution is insufficient to support 75 percent purchasing power. Sponsor: CalRTA, Association of Retired Teachers, CTA, CFT	Chapter 939, Statutes of 1997
SB 1027 (Schiff) Intro 2/27/97	Member Redeposit of Nonmember Spouse Refund; Out-of-State Service Credit	Authorizes members of CalSTRS to redeposit contributions withdrawn by a nonmember spouse and purchase additional service credit for out-of-state public school employment without any date restriction. Sponsor: CalSTRS	Chapter 569, Statutes of 1997



## 1996 State Legislation (1995–96 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 166 (Cannella) Intro 1/19/95	Medicare	Extends to July 1, 1999, the current bargaining window for CalSTRS-covered employees to elect Medicare coverage. Repeals the provision on January 1, 2000. Includes urgency provision. Sponsor: CTA	Chapter 318, Statutes of 1996; effective 7/30/96
AB 430 (Cannella) Intro 2/15/95	Options benefit	Would have allowed any member who retired prior to January 1, 1991, under Option 2 or 3 and whose beneficiary died prior to January 1, 1995, and no new option beneficiary has been named by the retired member, to return to the Member-Only Benefit and provides funding for increased program costs. Sponsor: CTA	Died in Assembly
AB 850 (Morrissey) Intro 2/22/95	Federal Tax Compliance	As an urgency measure, adds provisions to the Revenue and Taxation Code that qualified retirement income from sources within California is excluded from the gross income of a nonresident for state income tax purposes. Nonresidents who earn income other than pensions from work in California will still remain subject to tax on their California earnings.	Chapter 506, Statutes of 1996; effective 7/1/96
AB 978 (Thompson) Intro 2/23/95	Education Code Revision	Would have established a 21 member commission on January 1, 1997, to revise the Education Code; repealed effective January 1, 1999, most of Title 1 and 2 of the Education Code regarding elementary and secondary education including the Teachers' Retirement Law contained in Parts 13 and 14 of Title 1; and would have required that the commission submit a recommended revised Education Code to the Legislature by January 1, 1998. Sponsor: Governor's Office of Child Development and Education	Died in Assembly
AB 1068 (Mazzoni) Intro 2/23/95	Class Size Reduction, Postretirement Earnings Limit Exemption	Provides until July 1, 1999, that earnings paid to a member who retired on or before July 1, 1996, and is employed in grades K–12 because of the class size reduction program are exempt from the postretirement earnings limitation. Note: Double-joined with a bill that failed passage. CalSTRS pursued an urgency measure in January 1998 to correct the double-joining problem. Sponsor: Association of Low Wealth Schools	Chapter 948, Statutes of 1996; (never became operative)



## 1996 State Legislation (1995–96 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 1463 (Horcher) Intro 2/24/95	Rule of 85	Would have allowed a member of CalSTRS who is 50 years of age or older to retire on or after July 1, 1996, with full retirement benefits if the member's age plus years of credited service equals or exceeds 85. These provisions would be repealed on January 1, 1999. Sponsor: United Teachers Los Angeles	Died in Assembly
AB 2400 (Miller) Intro 2/16/96	Local Retirement Systems	Deletes specific prohibitions in CalPERS' law regarding classified school employee benefits and allows election of optional benefits and termination of contracts. Note: The provisions that would have impacted CalSTRS were deleted from the bill in the May 14, 1996, amendments. Sponsor: School Services of California, Inc.	Chapter 1164, Statutes of 1996
AB 2673 (Ducheny) Intro 2/22/96	Cash Balance Benefit Program; Technical Housekeeping	As an urgency measure, amends the CB Benefit Program statutes as necessary to facilitate employers' option to offer the program; makes other technical and conforming amendments as appropriate. Note: Enabling legislation was introduced in 1995 as a mandate, but was amended late in that legislative session to allow employers the choice of offering the plan. Sponsor: CalSTRS	Chapter 608, Statutes of 1996; effective 7/1/96
AB 3032 (Burton) Intro 2/23/96	Continued Eligibility for Students, Revision of TRL Definitions	Eliminates the requirement that a dependent child between the ages of 18 or 22 must maintain full-time student status to remain eligible for the child's portion of a disability or family allowance under Coverage A (Provisions sunset 2002); repeals the definition of "compensation" and "salary" and adds a definition of "creditable compensation," making clarifying amendments as appropriate; amends the definition of "class of employees," as specified. Sponsor: CalSTRS	Chapter 1165, Statutes of 1996
AB 3221 (Gallegos) Intro 2/23/96	Election of CalSTRS and CalPERS Membership	Amends provisions specifying the process and time limit for electing membership in CalSTRS or other public school employment under specified conditions; adds provisions requiring employers to inform employees within 10 working days from the date of hire of their right to make an election. Once received and accepted by the retirement system, the election becomes effective as of the first day of employment in the position that qualified the member to make an election. Sponsor: CalSTRS	Chapter 383, Statutes of 1996



## 1996 State Legislation (1995–96 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 3252 (Kaloogian) Intro 2/23/96	Establish the PEDCR Plan	Would have established the Public Employees' Defined Contribution Retirement Plan for state and other local public agency employees whose employers elect to participate in the plan; would have specified that the day-to-day administration of the Defined Contribution Plan be contracted out to a private third party administrator and funded by employer and employee contributions. Sponsor: Author	Died in Senate
AB 3332 (Kuehl) Intro 2/23/96	Domestic Partners	Would have added a new chapter to the TRL extending eligibility for CalSTRS benefits currently available to spouses to domestic partners, but only upon a school districts' election to be subject to these provisions. Sponsor: CTA	Died in Committee
AB 3445 (Knox) Intro 2/23/96	Investments: Tobacco Companies	Would have: prohibited new investments of state trust funds in tobacco companies on and after January 1, 1997; required phased divestment of one-third of current holdings each year beginning January 1, 1998, and continuing until January 1, 2000; provided for indemnification for board members and their agents and employees.	Died in Committee
SB 168 (Hughes) Intro 1/30/95	Teachers' Retirement Board	Would have required that the four teacher members of the board be elected by their respective constituencies rather than appointed by the Governor. Sponsor: Association of Retired Teachers, CTA	Bill withdrawn by author
SB 471 (Dills) Intro 2/17/95	Health Insurance	Would have authorized the board to contract for health insurance, including vision and dental care, to members, beneficiaries, children and dependent parents. Sponsor: California Retired Teachers Association	Died in Assembly
SB 747 (Hughes) Intro 2/23/95	Purchasing Power Protection	Would have required the board to include in the Annual Erosion of Purchasing Power Report information on the effect of reducing the annual SBMA loan repayment amount and repaying that loan over 5-, 10- and 15-year periods. Sponsor: Association of Retired Teachers, CalRTA, ACSA	Bill withdrawn by author



## 1996 State Legislation (1995–96 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 1517 (Johnston) Intro 2/13/96	Federal Tax Compliance	Would have added provisions to the California Revenue and Taxation Code to specify that, for state income tax purposes, qualified retirement income from a source within California would be excluded from the gross income of a nonresident and would bring state statutes into compliance with recently enacted federal law. Note: Bill was amended and no longer impacts CalSTRS.	Inactive File
SB 1658 (Costa) Intro 2/21/96	Options Benefit Survey	Would have required the board to conduct a sample survey to determine the number of members and cost for those who retired before January 1, 1991, with an Option 2 or 3 to return to the Member-Only Benefit if the option beneficiary died prior to January 1, 1995. Note: At the request of the sponsor, the board agreed at its July 1996 meeting to conduct the survey without legislation during 1997. Sponsor: California Retired Teachers Association.	Died in Senate
SB 1877 (Rogers) Intro 2/22/96	Federal Compliance: USERRA	Enacts provisions for CalSTRS, CalPERS and the 1937 Act counties to be in compliance with the federal USERRA. Sponsor: CalPERS, 1937 Act Counties	Chapter 680, Statutes of 1996
SB 2016 (O'Connell) Intro 2/23/96	Compounded 2% Annual Benefit Adjustment	Would have provided that beginning September 1, 1997, the 2 percent annual benefit adjustment applied to CalSTRS benefit payments be compounded. Sponsor: CFT	Died in Senate
SB 2041 (Hughes) Intro 2/23/96	CalSTRS Technical Housekeeping	Makes technical and conforming changes made necessary by enactment of the CB Benefit Program and the new definition of member. Sponsor: CalSTRS	Chapter 634, Statutes of 1996
SB 2095 (Appropriations) Intro 2/23/96	SBMA Settlement	As an urgency measure, appropriates funds, as specified, to the State Board of Control to pay accepted claims. Includes a General Fund appropriation of \$540,000 to settle CalSTRS' claim from 1992 relating to interest payments on the SBMA due to late payment. Sponsor: Board of Control	Chapter 487, Statutes of 1996



## 1996 State Legislation (1995–96 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SJR 27 (Costa) Intro 5/26/95	Sale of Elk Hills	Memorializes the U.S. President and Congress to sell the Elk Hills Naval Petroleum Reserve Numbered 1 while recognizing the state's valid claim to two school land sections within the reserve and compensate California's retired teachers for their 9 percent interest in the reserve upon its sale. Sponsor: CalRTA, SLC	Chapter 68, Statutes of 1996
SR 16 (Killea) Intro 2/16/95	Commission on Corporate Governance	Re-establishes until January 31, 1996, the Commission on Corporate Governance, Shareholder Rights and Securities Transactions to conduct research and make public policy recommendations concerning these subjects.	Adopted (2/1/96)



## 1995 State Legislation (1995–96 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 107 (Boland) Intro 1/9/95	Los Angeles School District Reorganization	Exempts any city with a population of over 3,000,000 from the requirement that a school district may not be reorganized without the consent of the governing board. Existing law specifies that an action to reorganize a school district may be initiated upon the filing of a petition signed by at least 25 percent of the registered voters residing in the territory to be reorganized. Also provides that a petition may also be filed to reorganize a single district with over 200,000 pupils into several smaller districts if signed by a number of registered voters equal to at least 8 percent of the votes cast for all candidates for Governor at the last gubernatorial election in the territory to be reorganized. Bill was double-joined with Chapter 412 of 1995 (SB 699, Hayden).	Chapter 267, Statutes of 1995
AB 948 (Gallegos) Intro 2/22/95	Postretirement Earnings Limit Exemption; Postretirement creditable Service	As an urgency measure, facilitates the continued administration of school districts faced with financial difficulties by modifying, under limited circumstances, specific provisions of the Education Code to permit the employment of retired CalSTRS members in administrative positions, who have specific experience necessary to ensure or restore the financial stability of a troubled school district; establishes definitions of various employment activities that are considered creditable service and provides that the earnings limitation on postretirement service is applied only to compensation earned from creditable service. Sponsor: CalSTRS, ACSA	Chapter 394, Statutes of 1995; effective 7/1/95
AB 1122 (Cannella) Intro 2/23/95	Minimum Standards for Full-Time Employment	Establishes appropriate minimum standards for full-time employment for all classifications of employees in K–12 and community colleges for crediting service in CalSTRS, while continuing to allow the districts the flexibility to establish specific standards for full-time employment; makes clarifying amendments to existing definitions and adds new definitions to the Education Code as necessary and repeals provisions that are made obsolete by these changes. Sponsor: CalSTRS	Chapter 390, Statutes of 1995; effective 7/1/96



## 1995 State Legislation (1995–96 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 1298 (Ducheny, et al.) Intro 2/23/95	Cash Balance Program	Authorizes CalSTRS to establish a Cash Balance retirement program administered by CalSTRS for part-time public school employees, which employers may elect to provide for persons employed less than half time at a contribution rate that is lower than Social Security tax. Note: The IRS has expressly ruled that the CalSTRS CB Benefit Program qualifies as an alternative retirement plan to Social Security. Sponsor: CalSTRS	Chapter 592, Statutes of 1995
AB 1441 (Davis) Intro 2/24/95	Survivor Benefits, Preretirement Options Modifications	Eliminates the requirement that a surviving spouse of a CalSTRS member under Coverage A must wait until age 60 to receive a monthly allowance; makes age and service requirements for eligibility to make a preretirement election of an option consistent with the requirements for eligibility for retirement; makes the assessment for cancellation of an option more reflective of the actual costs to CalSTRS for providing the coverage the member received. Sponsor: CalSTRS	Chapter 524, Statutes of 1995
SB 699 (Hayden, et al.) Intro 2/22/95	School District Reorganization	Specifies that any reorganization of a school district in a city with a population of more than 3,000,000 persons shall ensure that each new district created meets specified conditions, including the maintenance of the conditions of all collective bargaining agreements until their expirations. Bill was double-joined with Chapter 267 of 1995 (AB 107, Boland).	Chapter 412, Statutes of 1995
SB 791 (Hughes) Intro 2/23/95	Federal Compliance; Eliminates CalSTRS Annual Report Supplement	Amends the Government Code and the Education Code to include a reference to the compensation limit recently mandated by Section 401(a)(17) of the IRC. This requirement limits the annual compensation for the purpose of benefit accruals to \$150,000 for each employee under a qualified pension plan for new members hired on and after July 1, 1996; amends the provisions that prescribe the content of the CalSTRS Annual Report and reporting requirements related to CalSTRS investments. Sponsor: CalPERS, CalSTRS, State Association of County Retirement Systems	Chapter 829, Statutes of 1995; effective 7/1/96



## 1994 State Legislation (1993–94 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 1470 (Cannella) Intro 3/4/93	Additional Years of Service Credit	Would have granted, upon the Governor's executive order, three additional years of service and an additional three years of age to state employees, certain employees of contracting agencies and certain CalSTRS members employed in state agencies. The Governor was not convinced the provisions would save money. According to the proponents, a primary purpose of this bill was to avoid layoffs. Although the theory is that savings would accrue through the replacement of highly compensated senior employees with lower paid employees, experience has proven retirement enhancements to be expensive and costing more than initial estimates. Sponsor: Professional Engineers in California Government, Association of California State Attorneys & Administrative Law Judges, California Association of Highway Patrolmen, California Department of Forestry Employee Association and Orange County Employee Association	Governor Veto (5/20/94)
AB 1527 (Burton, et al.) Intro 3/4/93	Investments in Northern Ireland	Would have required CalSTRS and CalPERS to monitor annually the extent to which companies in Northern Ireland adhere to principles of nondiscrimination and freedom of opportunity in the workplace. The Governor viewed this legislation the same as another bill he vetoed in 1992 stating that with increasing prospects for political settlement in Northern Ireland, it made no sense to enact this proposal. Sponsor: Authors	Governor Veto (9/29/94)
AB 2237 (McDonald) Intro 3/5/93	Investments in South African Bonds	Authorizes any state or local retirement system to invest in rated or unrated bonds, notes, or other instruments guaranteed by the government of South Africa. Note: The provisions are permissive and do not require action by CalSTRS. Sponsor: Author	Chapter 46, Statutes of 1994
AB 2448 (W. Brown, et al.) Intro 1/4/94	Investments: Repeal of South Africa Sanctions	As an urgency measure, repeals existing law that prohibits state trust fund investments in South Africa. Sponsor: Mr. Nelson Mandela, President, African National Congress	Chapter 31, Statutes of 1994; effective 3/31/94



## 1994 State Legislation (1993–94 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 2512 (Epple) Intro 1/13/94	Extended Service Retirement Formula	Would have provided an incremental increase in the benefit factor of 0.25 of 1 percent per month up to a maximum of 2.3 percent at age 65 for CalSTRS members retiring after June 30, 1995, with 20 or more years of service credit and whose employer elected to provide this benefit. The Governor vetoed a similar bill last year and objected then to any benefit enhancement coming at the expense of classroom resources. Sponsor: CTA	Governor Veto (9/30/94)
AB 2550 (Karnette) Intro 1/19/94	Repeal of Administrative Refund Fee	Repeals law requiring CalSTRS to charge administrative fees for processing member requests for a refund of member contributions; permits certain refunds to be canceled and membership restored. Sponsor: CalSTRS	Chapter 932, Statutes of 1994
AB 2647 (Aguiar) Intro 2/2/94	Adult Education Membership	Allows part-time and substitute instructors in adult education who are currently excluded from membership in CalSTRS to elect membership in the DB Program; requires the employer to return overpaid contributions to the member within 60 days of discovery or notification of the overpayment. Sponsor: California Council for Adult Education	Chapter 507, Statutes of 1994
AB 2648 (Karnette) Intro 2/2/94	Benefit Enhancement Study	Would have required CalSTRS to conduct a study to determine the feasibility of the system to offer certain optional benefit enhancements that members could elect to purchase. The Governor determined that while the bill provides for recovery of the \$75,000 appropriation from CalSTRS members receiving a benefit enhancement, there was no assurance that the TRF would be fully reimbursed and so the board agreed to undertake the study using its own resources. Sponsor: California Teachers Association, CalSTRS	Governor Veto (9/15/94)
AB 2862 (Lee) Intro 2/17/94	Investments in Securities by Public Retirement Systems	Would have authorized any public retirement system to invest in securities guaranteed by the African, Asian and Caribbean Development Banks and the Inter American Bank. Sponsor: Author	Died in Senate (6/30/94)



## 1994 State Legislation (1993–94 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 2916 (O'Connell) Intro 2/17/94	Membership	Would have allowed CalSTRS members who become employed with one of six state agencies in a position represented by Bargaining Unit 21 and requiring membership in CalPERS to elect to remain in CalSTRS by making such election in writing within 30 days of entering the new position. Sponsor: California State Employees Association, Bargaining Unit 21	Governor Veto (9/11/94)
AB 3064 (Morrow) Intro 2/22/94	Tax-Sheltered Annuity Program	Requires CalSTRS to offer a tax sheltered annuity program, as specified. Sponsor: ACSA, CalSTRS	Chapter 291, Statutes of 1994
AB 3171 (Napolitano) Intro 2/23/94	CalSTRS Technical Housekeeping	As an urgency measure, makes various minor, corrective and technical changes to the Teachers' Retirement Law related primarily to the 1993 recodification. Sponsor: CalSTRS	Chapter 933, Statutes of 1994; effective 9/28/94
AB 3407 (PER&SS) Intro 2/24/94	Mid-Career Retirement Planning	Requires CalSTRS to offer a mid-career retirement planning information program for CalSTRS members. Sponsor: Association of California School Administrators, CalSTRS	Chapter 656, Statutes of 1994
AB 3627 (Campbell) Intro 2/25/94	Membership; Insolvent School Districts	Provides that trustees or administrators appointed by the Superintendent of Public Instruction to an insolvent school district, as specified, are members of CalSTRS for the period of the appointment, unless they elect in writing not to become or remain members. Sponsor: Department of Education	Chapter 1002, Statutes of 1994; retroactive to 7/1/93
AB 3705 (PER&SS) Intro 2/25/94	457 Deferred Compensation Plans	Allows CalSTRS to develop one or more deferred compensation plans pursuant to Section 457 of the IRC. Sponsor: California Teachers Association, CalSTRS	Chapter 489, Statutes of 1994



## 1994 State Legislation (1993–94 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 3832 (PER&SS) Intro 3/16/94	Full Time Definition	Codifies the definition of “full-time” as a distinct code section, separate from the definition of “compensation earnable.” Sponsor: CalSTRS	Chapter 193, Statutes of 1994
SB 192 (Dills) Intro 2/4/93	Health Benefits Local Public Employees	Would have allowed CalSTRS to offer health benefits to active and retired members. CalSTRS believes that affordable health benefits coverage is an integral part of a secure retirement and is in concert with its primary responsibility to provide retirement program services to its members. Sponsor: CalRTA	Governor Veto (9/30/94)
SB 277 (Hughes) Intro 2/12/93	Teachers’ Retirement Board	Would have required that the four teacher members of the board be elected by their respective constituencies rather than appointed by the Governor. Sponsor: Association of Retired Teachers	Governor Veto (9/25/94)
SB 586 (Hughes) Intro 3/1/93	75% Purchasing Power Protection	Restates the intent of the state to ensure a minimum purchasing power of 75 percent of the initial retirement allowance and specifies possible revenues; requires CalSTRS to annually report return on investments and actual total salaries; and requires the Controller to adjust the ad hoc minimum guarantee contribution to CalSTRS once actual payroll is determined. Sponsor: CalRTA	Chapter 858, Statutes of 1994



## 1994 State Legislation (1993–94 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 858 (PE&R) Intro 3/4/93	Golden Handshake	Reestablishes the Golden Handshake additional two years service credit program operative March 30, 1994, through December 31, 1998. Sponsor: CalSTRS	Chapter 20, Statutes of 1994; effective 3/16/94
SB 1285 (Watson) Intro 1/6/94	Investments in South Africa	As an urgency measure, repeals existing law that prohibits state trust fund investments in South Africa.	Chapter 30, Statutes of 1994; effective 3/31/94
SB 1459 (Watson) Intro 2/10/94	Investments in International Financial Institutions	Authorizes any public retirement system to invest in securities guaranteed by various international financial institutions. Sponsor: Dymally, Ernest & Fair	Chapter 1084, Statutes of 1994
SB 1499 (Hughes) Intro 2/15/94	Service Credit for Unused Sick Leave	Would have allowed employers to elect to provide service credit for unused sick leave at retirement to those employees who become CalSTRS members after July 1, 1980. Sponsor: California Teachers Association	Died in Assembly
SB 1972 (Campbell) Intro 2/25/94	Investments; Possessory Interest Tax Proration	Makes permanent the provisions that would otherwise sunset June 30, 1994, regarding the proration of the possessory interest tax imposed on the tenants of properties owned by CalSTRS. Sponsor: CalPERS, CalSTRS	Chapter 1281, Statutes of 1994; effective 9/30/94

### OTHER SIGNIFICANT LEGISLATIVE ISSUES (1994)

California Health Security Act (Proposition 186) – Would have established a “single payer” health care system in which the State of California would administer and finance health care coverage, thereby replacing most private health insurance and current public health care programs. The proposed system would have been similar to those used in some other countries, such as Canada. This Act would have had some impact on CalSTRS members depending on their individual circumstances. It would have had no impact on CalSTRS as a public pension fund nor on services CalSTRS provided to members.



## 1993 State Legislation (1993–94 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 40 (Margolin) Intro 12/9/92	Investments: Arab Boycott	Expands provisions enacted last year, Chapter 1351, Statutes of 1992 regarding the prohibition of state trust funds investing in companies that are complying with the Arab League’s economic boycott of Israel. Note: The California Attorney General concluded that this bill is preempted by federal law and therefore not subject to implementation by CalSTRS. Sponsor: Author	Chapter 439, Statutes of 1993
AB 216 (Margolin) Intro 1/25/93	Investments: Foreign Government Bonds	Authorizes state or local retirement systems to invest in foreign government bonds or other evidences of indebtedness, a portion of which may be used to purchase rated or unrated bonds guaranteed by Israel, Canada or Mexico; permissive only. Sponsor: Author	Chapter 440, Statutes of 1993
AB 407 (Escutia) Intro 2/10/93	Dual Membership	Would have repealed the provision of law that excludes a full-time member of another public retirement system from membership in CalSTRS for part-time work under CalSTRS. Sponsor: CalSTRS	Governor Veto (10/4/93)
AB 447 (Seastrand) Intro 2/11/93	Federal Compliance: Age 70 ½ Minimum Distribution	Adds the definition of “reinstatement” to the TRL; requires CalSTRS to comply with federal law with regard to minimum distribution at age 70 ½ and specifies various procedures pertaining to CalSTRS inactive members; and provides for CalSTRS to prorate supplemental payments to the termination date of the allowance. Sponsor: CalSTRS	Chapter 861, Statutes of 1993; Line item veto of \$100,000 appropriation



## 1993 State Legislation (1993–94 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 449 (Horcher) Intro 2/11/93	Rule of 85	Would have established the “Rule of 85” alternative retirement program. Sponsor: CTA	Governor Veto (10/9/93)
AB 631 (Cannella) Intro 2/22/93	Modify TRL Definitions	Clarifies the definition of “compensation” and “salary” for purposes of determining benefits and contributions. Sponsor: CalSTRS	Chapter 468, Statutes of 1993
AB 798 (Sher) Intro 2/25/93	Benefit Payment Arrangements	Prohibits CalSTRS and CalPERS from mailing a copy of benefit payment information to any member who has payment directly deposited if the member requests not to have the information sent; and requires the systems to inform members of their right not to have the information sent to them.	Chapter 1083, Statutes of 1993
AB 810 (Tucker) Intro 2/25/93	Benefit Study	Would have required CalSTRS to conduct a study of the costs of: a 2 percent at age 58 to 2.418 percent at and over age 61; and a 2 percent at age 59 to 2.418 percent at and over age 62 formula for state employee CalSTRS members. Sponsor: California State Employees Association	Dropped by author; agreed to conduct the study
AB 916 (Farr) Intro 3/1/93	Credit Enhancement for Local Government Bonds	Would have required CalSTRS and CalPERS, in consultation with the Treasurer, to study the feasibility of establishing under the systems a credit enhancement program for local government bonds. Sponsor: Author	Governor Veto (10/11/93)



## 1993 State Legislation (1993–94 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 1631 (Karnette) Intro 3/4/93	Survivor Benefits (SB 93)	Allows CalSTRS to: revise the current process of verifying the date of birth or death of a benefit recipient; specifies that a preretirement election of an option is automatically canceled if the option beneficiary predeceases the member; and specifies the procedures to take when a designated beneficiary or death benefit recipient cannot be located. Sponsor: CalSTRS	Chapter 920, Statutes of 1993
AB 1796 (Napolitano) Intro 3/5/93	TRL Recodification	Recodifies the TRL; makes structural changes only. Sponsor: CalSTRS	Chapter 893, Statutes of 1993
AB 2278 (Tucker) Intro 3/5/93	CalSTRS Technical Housekeeping	Makes technical, corrective and clarifying changes in various TRL provisions. Sponsor: CalSTRS	Chapter 1082, Statutes of 1993
SB 70 (L. Greene) Intro 1/6/93	Investments; Proration of Property Taxes	Requires for fiscal years 1992–93 and 1993–94 that, if a lessee of a CalSTRS-owned property holds a possessory interest for less than a full fiscal year, the amount of the property tax will be prorated according to the number of months the lessee holds the interest.	Chapter 1187, Statutes of 1993
SB 77 (Appropriations) Intro 1/7/93	“Float” Suit	As an urgency measure, makes a General Fund appropriation of \$8.9 million to CalSTRS and \$7.5 million to CalPERS. These amounts represent the settlement of a lawsuit CalSTRS and CalPERS filed against the state to recover the systems’ investment earnings in the state’s Pooled Money Investment Account between 1984 and 1988.	Chapter 699, Statutes of 1993; effective 10/2/93
SB 107 (Hughes) Intro 1/14/93	Golden Handshake extension	Would have removed the January 1, 1994, sunset date of the Golden Handshake provisions, thereby continuing the program on a permanent basis. Sponsor: CTA	Governor Veto (10/9/93)



## 1993 State Legislation (1993–94 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 195 (Hughes) Intro 2/4/93	Tax-Sheltered Annuity Plan	Would have required CalSTRS to offer a Tax-Sheltered Annuity Plan to be operated under the direction of CalSTRS' chief investment officer or a third party administrator. Sponsor: CTA	Governor Veto (9/24/93)
SB 414 (Roberti) Intro 2/24/93	One-year Final Compensation Repayment (LAUSD)	Would have provided for employers to pay for the one-year final compensation benefit as required by the board. Sponsor: United Teachers Los Angeles	Governor Veto (9/21/93)
SB 698 (Torres) Intro 3/3/93	Salary Preservation Using 3 Nonconsecutive Years for Final Compensation	Allows a member's retirement allowance calculation to be based on the member's highest earnable compensation during any three nonconsecutive years of CalSTRS membership if the member's salary was reduced because of budget reductions; and authorizes employers to elect to preserve members' retirement benefits when salary reductions due to budget cuts have occurred. Sponsor: California Federation of Teachers, CalSTRS	Chapter 860, Statutes of 1993; Line item veto of \$300,000 appropriation
SB 754 (Hughes) Intro 3/3/93	Change of Options	Allows a CalSTRS retired member who retired under Option 2 or Option 3 before January 1, 1991, to change Option 2 or 3 to Option 6 or 7, under specified conditions. Sponsor: California Retired Teachers Association	Chapter 911, Statutes of 1993



## 1993 State Legislation (1993–94 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 857 (PE&R) Intro 3/4/93	“Betts” Cleanup; Long- Term Health Care	Authorizes districts to grant a leave of absence to a certificated employee who has applied for either a disability retirement benefit or a disability allowance; makes various technical and conforming changes related to implementation of the new Disability Retirement and Survivor Benefits programs; and makes the CalPERS Long-Term Care Act provisions applicable to CalSTRS members. Sponsor: CalSTRS	Chapter 1144, Statutes of 1993

### OTHER SIGNIFICANT LEGISLATIVE ISSUES (1993)

Voucher/Parental Choice In Education (Proposition 174) – Would have allowed parents to exercise choice in the schools, which their children attend by providing state educational “scholarships,” or vouchers, for California students redeemable by their parents at either private or public schools that have converted to independent scholarship-redeeming schools. The amount of the scholarship would be equal to at least 50 percent of the prior year’s public per-pupil spending—an estimated \$2,600 per student.

Note: Any significant migration of teachers from the public schools as a result, would have a negative impact on the funding period at CalSTRS.



## 1992 State Legislation (1991–92 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 75 (Elder) Intro 12/4/90	Employer Notification	Would have: required employers to provide membership information to all full-time, part-time and substitute employees; deleted reference to a repealed section in the Teachers Retirement Law; and included other provisions (not affecting CalSTRS) that would have authorized contracting agencies under CalPERS to offer their employees up to an additional 4 years of service credit. The Governor was concerned this bill would require him to issue a “statewide executive order” to trigger the effectiveness. Conditioning a local agency’s legislative action on the Governor’s issuance of an executive order is a cumbersome and inappropriate exercise of the Governor’s executive powers.	Governor Veto (9/30/92)
AB 486 (Polanco, et al.) Intro 2/12/91	Certification Requirements for Public Contracts	Creates a standardized certification program and permits all state and local agencies to use the criteria under this program to certify minority, women and disadvantaged business enterprises for contracts that are federally, state or locally funded.	Chapter 1329, Statutes of 1992
AB 1074 (Epple) Intro 3/5/91	Extend Service Retirement Formula	Would have increased the benefit factor from 2.1 percent at age 61, 2.25 percent at age 63 and 2.5 percent at age 65 for CalSTRS members retiring after June 30, 1993, with 20 or more years of service credit and whose employer has opted for this benefit. The Governor was not in favor of enhancing a retirement benefit with resources that could otherwise be provided for the classroom. Sponsor: CTA	Governor Veto (7/20/92)
AB 1399 (Eaves) Intro 3/7/91	Defined Contribution Study	Would have required the board to conduct a study of defined contribution benefits and establish a defined contribution “account” that complies with Internal Revenue Code section 415 requirements. Sponsor: Association of California Life Insurance	Died in Senate



## 1992 State Legislation (1991–92 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 1522 (Campbell, et al.) Intro 3/7/91	Additional Service Credit	As an urgency measure, authorizes the Trustees of the California State University to grant four years of additional service credit to eligible employees who retire during the 1992–93 fiscal year. Note: CalSTRS records indicate that fewer than five members will be affected by this legislation. Sponsor: California State University	Chapter 450, Statutes of 1992; effective 8/7/92
AB 1719 (Horcher) Intro 3/8/91	Community Property Nonprobate Transfers	Amends various provisions of the Probate Code relating to the nonprobate transfer of community property, including transfers of property under the terms of a pension plan. Sponsor: California Law Revision Commission	Chapter 51, Statutes of 1992
AB 2251 (Margolin, et al.) Intro 3/15/91	Investments: Arab Boycott	Prohibits state trust funds from making new or additional investments in business forms or financial institutions that engage in discriminatory business practices that are “in furtherance of or in compliance with the Arab League’s economic boycott of Israel.” Under the “secondary boycott,” which this bill targets, companies doing business in Arab nations must agree not to do business in Israel. Note: CalSTRS is required to begin divestiture of prohibited investments on January 1, 1995, and reduce such investments by one-third annually until January 1, 1998, when divestiture is complete.	Chapter 1351, Statutes of 1992
AB 2282 (Elder) Intro 1/6/92	Member Home Loans	Would have required the board to study the advantages and disadvantages of offering low interest rate home loans to CalSTRS members. The Governor didn’t see any merit to using Teachers’ Retirement Fund monies to finance reduced mortgage home loans, which has previously been found to be a violation of both the California Constitution and other statutes to which the board is subject.	Governor Veto (8/12/92)



## 1992 State Legislation (1991–92 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 2317 (Moore) Intro 1/13/92	Investments; public retirement systems; investments advisors	Would have authorized CalSTRS and CalPERS to consider joint venture, subcontracting and investment-related relationships with women, minority and disabled veteran business enterprises for purposes of meeting the statewide participation goals. The Governor stated that investment agreements are not service contracts under the Public Contract Code and should not be reported as if they were.	Governor Veto (7/27/92)
AB 2335 (Moore) Intro 1/15/92	Contract Award Requirements	Would have required state agencies to award a contract to the lowest responsible bidder fully meeting the minority and women business enterprises contract participation goals or having the highest aggregate percentage of those goals.	Died in Senate
AB 2391 (Moore) Intro 1/27/92	Investments; South Africa Relief	As an urgency measure, excludes firms engaged in famine relief activities in Southern Africa from the South Africa divestiture provisions Chapter 1254, Statutes of 1986.	Chapter 1238, Statutes of 1992; effective 9/30/92
AB 2513 (Andal) Intro 2/6/92	Definition Revision	Would have revised the definitions of “compensation” and “salary” for use in the calculation of a CalSTRS retirement benefit.	Died in Assembly
AB 2538 (Moore) Intro 2/6/92	Family Care Leave	Allows members to purchase service credit for time spent on an approved family care leave of up to four months. Note: This bill enabled CalSTRS to implement the provisions of Chapter 462, Statutes of 1991, which required employers of 50 or more employees, including school district, to grant specified family care leave.	Chapter 1272, Statutes of 1992
AB 2585 (Eastin, et al.) Intro 2/10/93	Charter Schools	Would have provided the general requirements for the establishment of charter public schools. The Governor determined that this bill fails to embrace the basic ingredients of the charter school concept (e.g., freedom from the state regulation and employee organizational control and choice on the part of parents, pupils, teachers and administrations).	Governor Veto (9/20/92)



## 1992 State Legislation (1991–92 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 2721 (Elder, et al.) Intro 2/13/92	Federal Compliance (Rollovers)	Authorizes public pension plans, including CalSTRS, to make rollovers directly to another eligible retirement plan. A new federal law requires retirement plans to withhold 20 percent on the taxable portion of an eligible distribution not rolled over directly to a qualified plan. Allows a member to request that a lump-sum distribution be made directly to another eligible plan and thus avoid the 20 percent withholding tax now required when the distribution is made directly to the member.	Chapter 1047, Statutes of 1992
SB 766 Intro 3/6/91	CalSTRS Funding	As an urgency measure, clarifies the methodology for calculating the Elder Full Funding contributions due CalSTRS on prior calendar year payroll.	Chapter 703, Statutes of 1992; effective 9/15/92
SB 1448 (Hart, et al.) Intro 2/10/92	Charter Schools	Authorizes the establishment of not more than 100 charter schools in the state, each of which will be treated as a school district for school funding guarantee purposes. These schools will be exempt from laws governing regular school districts except for those that choose to participate in CalSTRS. When a charter school chooses to participate in CalSTRS, all employees of that charter school who qualify for CalSTRS membership will be covered under CalSTRS. All provisions of the TRL will apply in these participating charter schools as if they were a public school in the school district that granted the charter.	Chapter 781, Statutes of 1992
SB 1687 (L. Greene) Intro 2/20/92	Investments: In-lieu Fees	Excludes CalSTRS' real estate investments from in-lieu fees and requires instead that lessees of CalSTRS owned property pay regular property taxes based on their possessory interest.	Chapter 1158, Statutes of 1992



## 1992 State Legislation (1991–92 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 1765 (Hart) Intro 2/20/92	CalSTRS and CalPERS Service Credit for Legislators	Would have allowed CalSTRS and CalPERS members to purchase service credit for time spent in the California Legislature during a service break. The Governor determined this bill contradicts the provisions of Proposition 140 (1990), which prohibits the accrual of pension benefits as a result of service in the Legislature. On or after November 1990, no Legislative Retirement System exists other than Social Security.	Governor Veto (9/30/92)
SB 1884 (C. Green) Intro 2/21/92	Multiple Retirements ("Betts")	As an urgency measure, provides the methods to be used in the calculation of a retirement allowance for members who previously received either a disability or service retirement benefit.	Chapter 1165, Statutes of 1992; effective 9/30/92
SB 1885 (C. Green) Intro 2/21/92	Federal Compliance: New Survivor Benefits and Disability Retirement Programs ("Betts")	As an urgency measure, establishes new survivor benefits and disability programs for all new members entering CalSTRS on or after October 16, 1992. Also authorizes persons who were CalSTRS members on October 15, 1992, to elect to participate in the new programs. These changes bring CalSTRS into compliance with the federal Older Workers' Benefit Protection Act passed by Congress on October 16, 1990. Coverage A: \$5,000 lump-sum death payment. Coverage B: \$20,000 lump-sum death payment.	Chapter 1166, Statutes of 1992; effective 10/16/92
SB 1886 (C. Green) Intro 2/21/92	CalSTRS Disability ("Betts")	Makes various changes to the CalSTRS disability program: 1) technical revisions to the standard for determining disability; 2) defines "comparable level position" as any job in which the disabled member can earn 66 ⅔ percent or more of indexed final compensation; 3) allows members to apply for disability while still working.	Chapter 1167, Statutes of 1992



## 1992 State Legislation (1991–92 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 1887 (C. Green); Extraordinary Session Intro 2/21/92	State Employees: Personal Leave Program Service Credit; Final Compensation	Urgency measure: 1) Allows state employee CalSTRS members subject to the personal leave program to be credited with the service they would have received prior to being placed under this program; and 2) provides that, for nonrepresented state employee members who retire or die on or after July 1, 1991, and whose salaries were reduced during the 1991–92 fiscal year, “final compensation” means the highest annual salary as if no reduction had occurred. The employer is required to pay for any costs that result from the increased service credit and use of the higher final compensation.	Chapter 1372, Statutes of 1992; effective 10/27/92
SB 1902 (Johnston, et al.) Intro 2/21/92	Health Benefits Study	Would have required the board to conduct a statewide health benefits study of certificated school employees using a \$240,000 Teachers’ Retirement Fund appropriation for this purpose. The Governor determined this bill served as a catalyst for seeking a statewide health benefit package for school employees, rather than sought at the local level through collective bargaining.	Governor Veto (9/30/92)
SB 1957 (Thompson) Intro 2/21/92	Investments: Repeal Sunset – Real Estate Priorities	As an urgency measure, deletes the January 1, 1993, repeal date of provisions requiring CalSTRS to give first priority to investing at least 25 percent of newly available funds in California residential realty.	Chapter 540, Statutes of 1992; effective 8/22/92
SB 2018 (Calderon) Intro 2/21/92	Division of Community Property	As an urgency measure, modifies provisions relating to community property rights in retirement plans including prohibiting a nonmember spouse from receiving a retirement allowance until the actual retirement date of the member. CalSTRS/CalPERS are excluded from the latter provision.	Chapter 431, Statutes of 1992; effective 9/2/92

### OTHER SIGNIFICANT LEGISLATIVE ISSUES (1992)

California Pension Protection Act (Proposition 162) – Effective upon certification of the Secretary of State, this act grants the board plenary authority over investment decisions and administration of the System in a manner that will assure prompt delivery of benefits and related services to members and their beneficiaries. Effective 12/14/92



## 1991 State Legislation (1991–92 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 77 (Moore, et al.) Intro 12/4/90	Fair Employment & Housing; Family Care Leave	Requires that employers of 50 or more employees, including school districts, grant unpaid leave for up to four months in any 24-month period for family care purposes, as defined. Note: CalSTRS had previously taken a “support, if amended” position; however, suggested amendments were never adopted into the bill. Sponsor: California Labor Federation	Chapter 462, Statutes of 1991
AB 191 (Elder) Intro 1/4/91	Employer Contribution Deferral	Would have allowed the LAUSD and the SFUSD not to make their employer contributions to CalSTRS from January 1992 through June 1992. The contributions that would have been made during that six-month period would instead have been paid in monthly payments over a period of up to 20 years commencing July 1, 1993. The Governor determined there was already an orderly process by which districts experiencing financial difficulty could request an “emergency apportionment;” the provisions were perceived to be a loan to these particular school districts, thereby circumventing the existing process; there were no safeguards to ensure that the districts in need would repay their debt, particularly where evidence may portray that their operations were not managed efficiently.	Governor Veto (7/18/91)
AB 276 (Filante, et al.) Intro 1/22/91	Rule of 85	Would have allowed a member of CalSTRS aged 50 or older to retire with full retirement benefits, if the member’s age plus years of service credit totaled 85. The Governor determined that CalSTRS already offered several options for early retirement, but with a reduced retirement allowance, as well as other early retirement options including incentives individually being offered by employers; would cost employers \$50,000–\$100,000 per retired member, which would result in a diversion of funds from the classroom; there were no requirements over the life of the early retirement program to reflect any cost savings to the program. Sponsor: CTA, ACSA	Governor Veto (10/6/91)



## 1991 State Legislation (1991–92 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 692 (Hayden) Intro 2/25/91	Investments: State Trust Funds	Would have authorized CalSTRS/CalPERS to require companies in which they make investments to disclose the extent to which the companies adhere to the so-called Valdez Principles regarding “corporate environmental” responsibility. The Governor determined the bill as being permissive, unnecessary and an expression of Legislative intent and CalSTRS/CalPERS already have guidelines for companies in which the systems invest to conduct themselves with propriety and a view toward social considerations.	Governor Veto (10/14/91)
AB 702 (Frizzelle) Intro 2/25/91	CalSTRS Funding	As an urgency measure, provides that Elder Full Funding contributions be made in quarterly payments of 1.075 percent from the General Fund to the Teachers' Retirement Fund instead of monthly contributions, commencing October 1, 1991.	Chapter 83, Statutes of 1991; effective 7/1/91
AB 1189 (Peace) Intro 3/6/91	Investments: Corporations– Electronic Proxies	Permits oral telephonic submission of a proxy by a shareholder or someone with authority to act for a shareholder. Note: This bill does not require any action on the part of CalSTRS.	Chapter 308, Statutes of 1991
AB 1330 (Burton, et al.) Intro 3/7/91	Investments: Northern Ireland	Would have required CalSTRS/CalPERS to: 1) compile a list of corporations that do business in Northern Ireland (NI), in which the assets of the two funds are invested and report this information to the Legislature; 2) annually monitor the extent to which U.S. Corporations operating in NI, in which the funds have investments, adhere to nondiscrimination principles, as defined by the MacBride Principles; and 3) support, whenever feasible, shareholder resolutions designed to encourage corporations in which the funds have invested to pursue a policy of affirmative action in NI. The Governor determined the bill was redundant with existing practices and that it was opposed by political and labor union leaders who represent NI Catholic constituencies who viewed the bill as threatening to the economy of NI as well as the job opportunities for Catholic workers who are far better protected by the mandatory provisions of the Fair Employment Act of 1989 than the MacBride principles.	Governor Veto (10/11/91)



## 1991 State Legislation (1991–92 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 2224 (Cannella) Intro 3/12/91	Full-Time Equivalent in Community Colleges	Would have established new standards for the crediting of service performed by community college members of CalSTRS employed on a part-time basis. The Governor determined the bill would result in increased costs to CalSTRS for those part-time instructors who become full-time instructors (estimated to range from \$10,000 to \$30,000) and would continue to increase for a number of years. Sponsor: CFT, FACCC	Governor Veto (10/14/91)
SB 196 (C. Green) Intro 1/17/91	Scientific Surveys	Would have required CalSTRS to establish procedures for evaluating and implementing requests of organizations with CalSTRS members to conduct scientific surveys of the CalSTRS membership. The Governor determined this bill would redirect CalSTRS' efforts toward an objective of satisfying the requests of outside organizations rather than to focus on its mission to satisfy the membership and was concerned with costs and resources needed to take on the additional workload. Sponsor: CTA	Governor Veto (10/2/91)
SB 1171 (PE&R) Intro 3/8/91	CalSTRS Technical Housekeeping	1) Clarifies provisions concerning the limitations imposed by Section 415 of the IRC on the benefits received by CalSTRS members; 2) authorizes CalSTRS to establish procedures to ensure compliance with information reporting requirements and provides that any person who willfully files any report in violation of the statutory requirements is guilty of a misdemeanor; 3) makes a technical, corrective change in the one-year final compensation provisions for classroom teachers; 4) clarifies that CalSTRS disabled members and inactive members are eligible to participate in the Dave Elder CalSTRS Home Loan Program; 5) requires spousal signature for most benefit applications; 6) requires employers to annually provide CalSTRS with copies of documents concerning employee compensation; and 7) allows CalSTRS members who served on active duty in the Persian Gulf conflict to receive CalSTRS service credit for the time spent on the military leave. Sponsor: CalSTRS	Chapter 543, Statutes of 1991



## 1991 State Legislation (1991–92 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 1173 (PE&R) Intro 3/8/91	State Employees: Members Of CalSTRS– Optional Transfer to CalPERS	As an urgency measure, would have authorized members of CalSTRS who are employed in state service positions to elect, before April 1, 1992, to transfer their membership to CalPERS.	Died in Senate
SR 9 (McCorquodale) Intro 1/18/91	Investments: Shareholder Rights and Securities Transaction Commission	Extends until January 1, 1993, the Senate Commission on Corporate Governance Shareholder Rights and Securities Transaction.	Adopted 5/30/91



## 1990 State Legislation (1989–90 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 54 (Elder) Intro 12/6/88	Optional One-Year Final Compensation: Multiple Retirements	As an urgency measure: 1) Makes technical clean-up amendments to Chapter 1184 of 1989 (AB 123, Elder) regarding optional one-year final-compensation for CalSTRS members who spent 60 percent or more of the last ten years of their career as classroom teachers; and 2) provides a more equitable method to calculate the final retirement benefit of CalSTRS members who reinstate from retirement to CalSTRS membership and subsequently retire. Sponsor: United Teachers of Los Angeles, CTA	Chapter 83, Statutes of 1990; effective 5/3/90
AB 1972 (Tucker) Intro 3/9/89	CalSTRS/ CalPERS Home Loan Program	Designates the provisions of the TRL authorizing the CalSTRS member home loan program as the Dave Elder CalSTRS Member Home Loan Program Act. Note: No program or fiscal changes to existing program.	Chapter 11, Statutes of 1990
AB 2552 (Quackenbush) Intro 1/4/90	Tax-Sheltered Annuity Program	Makes various changes to the current CalSTRS TSA program by authorizing CalSTRS to operate the plan through one or more third-party carriers with choices of investment options and to offer the program to all employees of any state or local public agency, which employs persons in positions eligible for CalSTRS membership.	Chapter 831, Statutes of 1990
AB 2609 (Hughes, et al.) Intro 1/16/90	Golden Handshake	As an urgency measure, reestablishes until December 31, 1993, the CalSTRS “Golden Handshake” program, which permits school employers to provide CalSTRS members with two additional years of service credit at retirement if certain conditions are met. Sponsor: CTA	Chapter 996, Statutes of 1990; effective 9/18/90
AB 3042 (Elder) Intro 2/21/90	Member Applications: Spouse Signature Requirements	Requires that a CalSTRS member’s application for a Member-Only Benefit contain the signature of the member’s spouse unless certain conditions are met. Permits a spouse who refuses to sign this type of application to be treated as a “nonmember spouse,” therefore, petition the court to divide the retirement benefit as community property.	Chapter 1390, Statutes of 1990



## 1990 State Legislation (1989–90 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 4048 (Elder, et al.) Intro 3/2/90	Postretirement Earnings Limit	Increases the CalSTRS postretirement earnings limit to \$15,000, up from the previous \$8,950, per school year. This amount would be adjusted annually by the amount of increase in the CCPI. Sponsor: Long Beach Unified School District	Chapter 903, Statutes of 1990
AB 4129 (Hughes) Intro 3/2/90	CalSTRS Technical Housekeeping	Makes technical, corrective and clarifying changes in various provisions of the TRL. Sponsor: CalSTRS	Chapter 560, Statutes of 1990
AB 4284 (Elder, et al.) Intro 3/2/90	Retirement After Reinstatement From Disability	As an urgency measure, provides for separate alternative calculations of postdisability service retirement allowances depending whether the postdisability service was for less than, or more than, three years.	Chapter 1201, Statutes of 1990; effective 9/22/90
ABX1 53 (Elder) Intro 11/3/89	CalSTRS/ CalPERS Loan: Natural Disaster	Authorizes CalSTRS to establish a loan program to assist currently employed members and retirees in obtaining loans from CalSTRS for the sole purpose of repairing or rebuilding homes damaged by a natural disaster. Sponsor: Santa Cruz County	Chapter 35X, Statutes of 1990
AJR 38 (Elder) Intro 3/10/89	School Lands: Elk Hills	Memorializes the President and Congress to recognize the right of the state to two school land sections within the Elk Hills Petroleum Reserve and to make them available to the state. Revenue from school land sections is used for supplemental payments to benefit recipients whose purchasing power has fallen below 75 percent of original purchasing power. Sponsor: CalRTA	Chapter 50, Statutes of 1990
AJR 71 (Bentley, et al.) Intro 2/15/90	Health Benefits: Retired Teachers	Memorializes Congress to establish a process by which CalSTRS retirees could purchase the quarters needed to meet Medicare Part A eligibility. Sponsor: CalRTA	Chapter 100, Statutes of 1990
SB 682 (C. Green) Intro 2/27/89	Option Settlements	Adds two new additional option settlements, Options 6 and 7, allowing a return to the Member-Only Benefit if the designated option beneficiary predeceases the retiree. Sponsor: CalRTA	Chapter 97, Statutes of 1990



## 1990 State Legislation (1989–90 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 1131 (McCorquodale) Intro 3/8/89	Investments: Soft Dollars	Places new disclosure requirements on governmental investors with regard to soft dollars and directed brokerage arrangements.	Chapter 709, Statutes of 1991
SB 1370 (C. Green, et al.) Intro 3/9/89	Elder Full Funding Act	As an urgency measure, revises the annual General Fund contribution to CalSTRS to a level that provides full funding of normal cost and provides for the amortization of the CalSTRS unfunded obligation. Sponsor: CalRTA	Chapter 460, Statutes of 1990; effective 8/1/90
SB 2469 (C. Green) Intro 2/28/90	Benefits Study	Appropriates \$50,000 to pay the costs of contracting for consulting services to study the equity of the present benefits available under CalSTRS.	Chapter 1172, Statutes of 1990
SB 2473 (C. Green) Intro 2/28/90	General Fund Contributions	Deletes obsolete provisions of law relating to general fund contributions for sick leave service credit in fiscal year 1985–86.	Chapter 876, Statutes of 1990
SCR 84 (Hart) Intro 2/26/90	Investments; Valdez Principles	Requests CalSTRS/CalPERS to take shareholder action respecting the Valdez Principles, a code of conduct for corporate activities affecting the environment.	Resolution Chapter 131, Statutes of 1990
SJR 70 (McCorquodale) Intro 5/31/90	Investments: Corporations– Governance	Requests the SEC to evaluate the corporate election process for the purpose of changing its rules to provide for 1) proxy rules to allow for open and clear communication among shareholders and corporations and 2) confidential voting with independent tabulation of results; and 2) provides for the State Senate Commission on Corporate Governance, Shareholder Rights and Securities Transactions to actively participate with the SEC in accomplishing these goals.	Resolution Chapter 113, Statutes of 1990



## 1989 State Legislation (1989–90 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 50 (Elder) Intro 12/6/88	Section 415 Limit: Annual Report Requirements	1) Amends CalSTRS law to comply with IRC section 415 benefit limitations. Prevents the System from losing its “tax qualified plan” status and avoids adverse tax consequences for CalSTRS and CalSTRS members; and 2) requires book value return as a performance measure to be included in the Annual Report.	Chapter 1004, Statutes of 1989
AB 59 (Elder) Intro 12/6/88	Clarifies Fiduciary Liability	Restructures and revises the CalSTRS fiduciary liability provisions to clarify the scope of personal liability of the board and certain CalSTRS employees.	Chapter 542, Statutes of 1989
AB 122 (Filante) Intro 12/12/88	Rule of 85	Would have added an additional, optional, Rule of 85 early retirement incentive provision to permit service retirement at or over age 50 without any actuarial reduction in the normal retirement age factor (age 60) if the total of the member’s age and credited service is at least 85. The employer would have been required to pay the actuarial present value cost of the increased allowance plus related CalSTRS administrative costs. The Governor vetoed this bill because CalSTRS members already have the option to retire before age 60, but with a reduced retirement allowance; school districts, when feasible, may offer Golden Handshake programs; the program is very costly and would divert funds from the classroom; concerns with the impact of Purchasing Power Protection earlier than normal retirement; and future impact on Section 415 limits and potential for CalSTRS to lose its federal tax exempt status. Sponsor: Marin County Superintendents	Governor Veto (9/25/89)
AB 123 (Elder) Intro 12/12/88	Retirement Calculation Factors	Provides, subject to a collective bargaining agreement entered into by the member’s employing school district and payment to CalSTRS for additional benefits paid, that the “final compensation” period for “classroom teachers,” as defined, who retire after June 30, 1990, be the highest 12 consecutive months. Final compensation is one of the three factors used to determine CalSTRS retirement benefits. (The two other factors are length of service and age at the time of retirement.) Sponsor: United Teachers of Los Angeles	Chapter 1184, Statutes of 1989



## 1989 State Legislation (1989–90 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 265 (Elder) Intro 1/12/89	Medicare Election	Authorizes employers to apply to CalPERS during the period of July 1, 1990, to July 1, 1993, to conduct elections to permit employees who held positions covered by this System on March 31, 1986, to elect to be covered by the federal Medicare program. Both the employer and employee would have to pay the required rates for the coverage. Note: CalSTRS has no role in any such election, nor would it affect any CalSTRS benefits. Sponsor: CTA	Chapter 1006, Statutes of 1989
AB 1105 (Hughes) Intro 3/1/89	Disability Leave	As an urgency measure, would have required the governing board of a school district to grant a leave of absence to any certificated employee who applied to CalSTRS for a disability allowance and, if the employee is determined by the System to be eligible for the disability allowance, requires the employee's leave of absence to be extended for the term of the disability, but not more than 39 months. The Governor determined this bill to be similar to another bill he vetoed in 1987 (AB 420, Hughes). Granting a disability leave of absence is discretionary and should be bargained at the local level, not mandated in state law. Sponsor: United Teachers of Los Angeles	Governor Veto (9/16/89)
AB 1284 (Quackenbush) Intro 3/3/89	CalSTRS/ CalPERS: Chief Investment Officer Issues	Authorizes the board and the board of CalPERS to meet in closed session to consider matters pertaining to the recruitment or removal of the Chief Investment Officer of each System and adds authorization for the CalPERS Board to meet in closed session to consider personnel matters pertaining to the Chief Executive Officer.	Chapter 177, Statutes of 1989
AB 1769 (Roos) Intro 3/9/89	Investments: Deteriorated Housing	Would have required CalSTRS/CalPERS to study the feasibility, consistent with their fiduciary duties, of investing in community projects for housing in deteriorated neighborhoods and to report their findings and recommendations to the Legislature by January 1, 1991. The Governor determined that these retirement systems were to act as trustees to invest the funds of their members safely and prudently and should not be mandated to study placing funds in speculations where earnings, if any, are questionable.	Governor Veto (9/26/89)



## 1989 State Legislation (1989–90 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 1929 (Epple) Intro 3/9/89	Investments: Shareholder Voting rights	Allows companies that incorporate in California to divide their board of directors into two or three classes to serve terms of two or three years. It also allows them to either eliminate cumulative voting or to restrict cumulative voting to each class. This could have an impact on the way CalSTRS exercises its rights as a shareholder during proxy voting.	Chapter 876, Statutes of 1989
AB 2443 (Burton, et al.) Intro 3/10/89	Investments: Northern Ireland	Would have required the governing body of each state retirement system to: 1) annually investigate the extent to which U.S. corporations operating in Northern Ireland with which the retirement system's assets are invested adhere to the principles of nondiscrimination and freedom of workplace opportunity; and 2) whenever feasible, sponsor, co-sponsor, or support shareholder resolutions designed to encourage corporations in which the system has invested to pursue a policy of affirmative action in NI. Sponsor: American Irish Political Education Committee	Governor Veto (9/26/89)
SB 683 (C. Green) Intro 2/27/89	Workload Balancing Programs: Spousal Signature Requirements	Authorizes governing boards of community college districts to adopt workload balancing programs, subject to the TRL, for certificated employees; requires a spousal signature to withdraw CalSTRS annuity deposits. Sponsor: FACCC	Chapter 270, Statutes of 1989
SB 684 (C. Green) Intro 2/27/89	Scientific Surveys of CalSTRS Membership	Would have required CalSTRS to establish procedures for evaluating and implementing requests of organizations and agencies to conduct scientific surveys of the membership. The Governor had concerns with any bill that would authorize scientific surveys not relative to retirement issues and perceived this to be inconsistent with CalSTRS' primary mission. Also, there was no way to predict the workload for allocation of resources through the budget process. Sponsor: CTA	Governor Veto (9/19/89)



## 1989 State Legislation (1989–90 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 686 (C. Green) Intro 2/27/89	Emergency Payment of Benefits	1) Adds option beneficiaries to the benefit recipients who would receive interest due to the late payment of monthly allowances; and 2) authorizes CalSTRS to make payments of 75 percent of the return of accumulated retirement contributions, on an emergency basis, to persons who have terminated CalSTRS membership.	Chapter 327, Statutes of 1989
SB 751 (Royce) Intro 3/1/89	CalSTRS Technical Housekeeping	Makes technical, corrective and clarifying changes in various provisions of the TRL. Sponsor: CalSTRS	Chapter 118, Statutes of 1989
SB 915 (McCorquodale) Intro 3/6/89	Investments: Corporate Governance Center	Would have established the California Center for Corporate Research to facilitate the study and understanding of issues concerning corporate governance and shareholder rights. Governor determined the bill was unnecessary since there are already three centers for corporate governance in the U.S. studying these issues; there is nothing precluding the University of California, or any other university, from establishing its own private center; and, it was unclear whether this center was private sector or a governmental entity subject to civil service rules, conflict of interest rules, budgetary oversight or other similar restrictions.	Governor Veto (9/29/89)
SB 1039 (C. Green) Intro 3/7/89	Modify Post- Retirement Earnings Limit	Changes the indexing of the CalSTRS post-retirement earnings limit from 50 percent to 100 percent of the change in the CCPI. Sponsor: CFT	Chapter 227, Statutes of 1989
SB 1093 (Presley) Intro 3/8/89	CalSTRS/ CalPERS: Affordable Housing	As an urgency measure, requires CalPERS/ CalSTRS to join with the Department of Housing and Community Development, Treasurer's Office and the California Housing Authority to determine what can be done to produce affordable housing in rural communities with prisons. CalPERS/CalSTRS would be required to jointly participate in preparing a report with recommendations to the Governor and Legislature by January 15, 1990.	Chapter 1338, Statutes of 1989; effective 10/2/89



## 1989 State Legislation (1989–90 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 1407 (C. Green, et al.) Intro 3/9/89	SBMA: Purchasing Power; Annual Transfer From General Fund	Establishes funding mechanism, the Supplemental Benefit Maintenance Account, requiring an annual transfer from the General Fund to restore purchasing power of CalSTRS benefits. Amount transferred to increase annually to a maximum of 2.5 percent of the statewide teacher payroll. This bill was double-jointed with SB 1513.	Chapter 115, Statutes of 1989
SB 1513 (W. Campbell, et al.) Intro 3/10/89	SBMA: Purchasing Power Adjustments	Requires annual distribution of the proceeds of the SBMA, in nonvested quarterly payments, to members and their beneficiaries to restore benefit purchasing power to up to 68.2 percent of its original purchasing power. This bill was double-jointed with SB 1407. Sponsor: CalRTA	Chapter 116, Statutes of 1989
SB 1605 (Stirling) Intro 3/10/89	Retirement Homes	Would have authorized: 1) various state retirement systems including CalSTRS to establish, operate, or enter into joint ventures or contracts for services for retirement homes for their respective retired members; 2) retired members entering those homes to elect direct payment of all or part of their retirement allowances to the homes, as specified; and 3) CalSTRS/CalPERS to buy, build, finance, or enter into joint ventures to provide low and moderate income housing for their active and retired members. The Governor determined that various public retirement systems were not prepared in terms of experience or personnel to enter into this unfamiliar area; CalSTRS should concentrate on its primary mission to provide retirement benefits to its members and manage its investment programs in a prudent and successful manner; and, the investments could result in CalSTRS being subjected to unrelated business income taxes.	Governor Veto (9/26/89)



## 1988 State Legislation (1987–88 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 59 (Elder) Intro 12/3/86	Elk Hills: Disbursement of Revenue	Requires any revenues related to the state's claim to school lands within the Elk Hills Naval Petroleum Reserve to be deposited into the School Land Bank Fund. Interest earnings will go to the TRF for distribution on a pro-rata basis to CalSTRS benefit recipients whose payments are below 75 percent of purchasing power. Sponsor: CalRTA	Chapter 985, Statutes of 1988
AB 147 (Elder) Intro 12/19/86	Supplemental Social Security Plan: Alternative Retirement Plan	Requires CalSTRS to develop an alternative retirement plan recommendation to provide members an adequate retirement benefit for use if benefits are coupled with Social Security and to submit the recommendation to the Legislature by March 1, 1989.	Chapter 743, Statutes of 1988
AB 1982 (O'Connell) Intro 3/6/87	Credit for Out- of-State Service	Would have authorized a member who retires after January 1, 1989, to elect to receive additional service credit for out-of-state service, as specified, if the member pays all contributions at the rate for additional service credit at the time of election and precludes such purchased service from being eligible for specified postretirement quarterly supplemental payments. The Governor vetoed a similar bill in 1986 viewing these provisions as a liberal expansion of retirement benefits not available to members who have served their full careers in California and that the purchase price would not cover actual costs of the extra retirement allowance resulting in an increase of CalSTRS' unfunded liability, which would be counterproductive to maintaining the retirement plan in a financially sound condition. Sponsor: CFT	Governor Veto (9/29/88)
AB 2874 (Elder)	Investments: Reporting Requirements	Requires the board to submit to the Legislature, by November 1 of each year, a report of the un-audited investment data compiled for the preparation of the annual report required in Education Code section 22308.	Chapter 902, Statutes of 1988; effective 1/1/89



## 1988 State Legislation (1987–88 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 2882 (Elder) Intro 1/28/88	One-Year Final Compensation For Classroom Teachers	Would have provided that “final compensation” mean the highest annual compensation earnable by the member who is a classroom teacher, as defined, during any period of 12 consecutive months during his or her membership in CalSTRS. The Governor was concerned with increasing retirement allowances for certain CalSTRS members without providing a funding source to support the increase (\$142.5 million the first year), therefore increasing CalSTRS’ unfunded liability by \$250 million per year; putting pressure on CalPERS to offer comparable benefits; and, creating a distinction in benefits between classroom teachers and other CalSTRS members. Sponsor: CTA, United Teachers of Los Angeles	Governor Veto (9/30/88)
AB 2885 (Elder) Intro 1/28/88	Service Credit For Leave of Absence	Increases the maximum amount of retirement service credit earnable by an active CalSTRS member on an approved leave to serve as an elected member of an employee organization from a maximum of eight years to a maximum of 12 years. Sponsor: United Teachers of Los Angeles	Chapter 688, Statutes of 1988
AB 2890 (Elder) Intro 1/28/88	Modify Member Home Loan Program	Authorizes the board to add owner-occupied two to four family dwellings to the CalSTRS Member Home Loan Program.	Chapter 408, Statutes of 1988
AB 3172 (Elder) Intro 2/10/88	Remittance Notification	Requires CalSTRS to send a copy of the benefit payment information to the home address of persons whose payments are transmitted directly to their financial institution for deposit beginning July 1, 1989. Sponsor: CalRTA	Chapter 792, Statutes of 1988
AB 3194 (Elder) Intro 2/10/88	Teachers’ Retirement Board	Would have required that the three CalSTRS members and the retired member of the board be elected from their respective constituencies. Sponsor: Association of Retired Teachers	Governor Veto (8/19/88)
AB 3195 (Elder) Intro 2/10/88	Military Service Credit	Authorizes state employee members and certain retirees of CalSTRS to elect to purchase up to four years of military service credit. Sponsor: California State Employees Association	Chapter 370, Statutes of 1988



## 1988 State Legislation (1987–88 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 3271 (Filante) Intro 2/11/88	Rule of 85	Would have added an additional, optional, Rule of 85 early retirement incentive provision to CalSTRS, which would permit service retirement at or over age 50 without any actuarial reduction in the age 60 retirement factor if the total of the member's age and credited service is at least 85. Employers would be required to pay the actuarial present value cost of the increased allowance plus related CalSTRS administrative costs. The Governor determined that funding this program would divert funds from the classroom; adding early incentives for retirement to experienced educators with many productive years of service remaining in their careers is contrary to predictions of teacher shortages; and, it places retirees in a position to require purchasing power protection earlier than normal. Sponsor: Marin County Superintendents	Governor Veto (9/20/88)
AB 3409 (Frizzelle) Intro 2/16/88	Subrogation Program	Permits the board to initiate a program to recover benefits paid as a result of the death of or injury to a CalSTRS member caused by a third person, other than the employer.	Chapter 380, Statutes of 1988
AB 3887 (Grisham) Intro 2/18/88	CalSTRS Technical Housekeeping	1) Deletes a provision requiring CalSTRS to notify retirees of income tax liabilities which were made obsolete by the Federal Tax Reform Act of 1986; 2) renumbers a section of the definitions chapter to be in alphabetical order; 3) clarifies that the board may contract with investment managers to monitor and advise the board on the voting of shares owned by CalSTRS and advise on responses to other corporate governance matters; 4) clarifies that the original disability allowance date be retained as the base date for determining post-retirement benefit increases only when there is a continuous benefit from CalSTRS when a disability allowance is converted to a service retirement allowance; and 5) deletes a reference to a repealed section of the Education Code. Sponsor: CalSTRS	Chapter 382, Statutes of 1988



## 1988 State Legislation (1987–88 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 4095 (Elder) Intro 2/19/88	CalSTRS/ CalPERS: Fiduciary Standards Review	Requires the board and the Board of Administration of CalPERS to review their fiduciary standards and report to the Legislature all recommended changes and additions to current statute by March 1, 1989.	Chapter 241, Statutes of 1988
SB 451 (Beverly) Intro 2/18/87	Investments: Corporate Governance Standards	Creates a qualification exemption for companies whose securities are traded on the National Market System of the National Association of Securities Dealers, Inc. Sponsor: National Association of Securities Dealers	Chapter 716, Statutes of 1988
SB 959 (McCorquodale) Intro 3/4/87	70% Purchasing Power Protection for 1989–90	Would have increased the purchasing power of CalSTRS benefit recipients to 70 percent of their original purchasing power for fiscal year 1989–90 and 75 percent in 1990–91 at a cost of \$160 million in the first year. The Governor stated that he already provides funds for the maintenance of 68.2 percent of original purchasing power to offset inflation for retired teachers and suggested that further enhancements should be considered during the normal budget process. Sponsor: Association of Retired Teachers	Governor Veto (9/30/88)
SB 1190 (Lockyer) Intro 3/5/87	Separate Account for Nonmember Spouse	Requires CalSTRS, pursuant to a court order, to establish a separate account for service credit and contributions and interest awarded a nonmember spouse in a division of community property. The nonmember spouse would be eligible to elect a retirement allowance or a refund of contributions and interest.	Chapter 542, Statutes of 1987; effective 8/24/88; retroactive to 6/1/88
SB 1600 (Garamendi) Intro 3/6/87	Investments: Voting Records Disclosure	Requires anyone authorized to vote shares of stock owned by others to maintain a record of how the shares are voted and make disclosure of this information. Sponsor: Senate Commission of Corporate Governance, Shareholder Rights and Securities Transactions	Chapter 1360, Statutes of 1988



## 1988 State Legislation (1987–88 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 2060 (McCorquodale) Intro 2/1/88	Investments: Greenmail and Hushmail	Would have prohibited target corporations, as defined, from repurchasing more than 3 percent of its equity securities for more than the postdisclosure market price, as defined, from shareholder or beneficial owner unless approved by the board of directors and shareholders, except as specified. The Governor vetoed a similar bill last year and although he rejects the practice of “greenmail,” his concern was that the 3 percent purchasing limit proposed may be overly prescriptive, the definition of “target” corporation may be unconstitutional and further stated that interstate regulation was the appropriate way to proceed. He also stated that he would welcome federal legislation to address the issue. Sponsor: Senate Commission on Corporate Governance, Shareholder Rights and Securities Transaction.	Governor Veto (9/19/88)
SB 2080 (Royce) Intro 2/12/88	Exemption from Probate Code: Application for Death Benefits	As an urgency measure, expedites death claim payments by authorizing death benefit recipients to apply for CalSTRS payment of death benefits under certain conditions without the 40-day waiting period currently required in Section 13101 of the Probate Code.	Chapter 462, Statutes of 1988; effective 8/22/88
SB 2082 (Royce) Intro 2/12/88	Membership Qualifications for Substitutes and Part-Time Employees	Requires teachers who have performed 100 or more complete days of substitute service, or 60 hours (10 days) or more of part-time service in a pay period, in one school district or county superintendent’s office become members on the first day of the following pay period. Sponsor: Orange County Office of Education	Chapter 497, Statutes of 1988
SB 2552 (Keene) Intro 2/19/88	Investments: Requirement for Independent Financial Opinion	Requires an independent financial opinion that a proposal for a corporate reorganization, sale of assets or tender offer is fair to the shareholders. If there is more than one proposal received, the first proposal may not be consummated without allowing shareholders a reasonable opportunity to consider the record. Sponsor: Senate Commission of Corporate Governance, Shareholder Rights and Securities Transactions	Chapter 265, Statutes of 1988; effective 7/5/88



## 1988 State Legislation (1987–88 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 2578 (Robbins, et al.) Intro 2/19/88	Investments: Insider Trading/ Securities Practices	Makes various additions and amendments to the Corporations Code related to insider trading and other fraudulent securities practices. Sponsor: Senate Commission of Corporate Governance, Shareholder Rights and Securities Transactions	Chapter 1339, Statutes of 1988
SB 2648 (Kopp) Intro 2/19/88	Clarifying Statute: Errors and Omissions	Clarifies the statutes pertaining to the correction of errors and omissions. Sponsor: CalPERS	Chapter 1089, Statutes of 1988
SB 2680 (C. Green) Intro 2/19/88	Spousal Signature On Disbursements	Would have required a spousal signature on forms for applications to withdraw CalSTRS accumulated annuity deposit contributions; and authorized governing boards of community college districts to adopt workload balancing programs for certificated employees, as specified. Sponsor: FACCC	Governor Veto (9/23/88)
SB 2682 (C. Green) Intro 2/19/88	Statute of Limitations: Adjustments of Errors/ Omissions	Sets a statute of limitations of three years for adjustments of errors or omissions for purposes of payments into or out of the Teachers' Retirement Fund. Sponsor: CalRTA	Chapter 739, Statutes of 1988



## 1987 State Legislation (1987–88 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 165 (Stirling) Intro 12/29/86	Ancillary Benefit Disclosure Requirements	Requires each quarterly supplemental benefit maintenance payment be accompanied by a specified statement regarding the contingent nature of those payments.	Chapter 123, Statutes of 1987
AB 763 (Frizzelle) Intro 2/19/87	Determining Creditable and Noncreditable Earnings	1) Authorizes the board to determine what payments are or are not compensation and salary for retirement purposes when compensation and salary issues are in question (creditable vs. noncreditable earnings); and 2) adds clarifying definitions for the protection of the Teachers' Retirement Fund (TRF) and for improvement in operating efficiency.	Chapter 76, Statutes of 1987
AB 960 (Hughes, et al.) Intro 2/26/87	Golden Handshake	Extends the CalSTRS Golden Handshake Program through June 30, 1990. There is, however, a six-month period from July 1, 1987, through December 31, 1987, when the provisions of this bill are not operative. Sponsor: ACSA, CTA	Chapter 601, Statutes of 1987
AB 1102 (Elder) Intro 3/2/87	Actuarial Valuation Requirements	1) Requires that the actuarial valuation report of the System's assets and liabilities include the components of normal cost and adequate information to determine the effects of changes in actuarial assumptions; 2) requires the actuarial report be transmitted to the Governor and Legislature; 3) extends the sunset date of a provision of law requiring CalSTRS to give priority to investing 25 percent of funds available for new investments in California residential realty; and 4) moved this provision from the Financial Code to the Education Code. Sponsor: Variable Annuity Life Insurance Company	Chapter 416, Statutes of 1987
AB 1424 (Calderon) Intro 3/4/87	TSA Program; administration	Provides that any Tax-Sheltered Annuity (TSA) program operated by CalSTRS must provide all operating costs and expenses without subsidy from the TRF and also prohibits CalSTRS from utilizing its member mailing list for the purpose of transmitting information dedicated solely to advertising or marketing this program. Sponsor: Variable Annuity Life Insurance Company	Chapter 1419, Statutes of 1987



## 1987 State Legislation (1987–88 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
AB 2041 (Hughes) Intro 3/6/87	Disabled Members: Limitations	Would have permitted CalSTRS to pay a disability allowance to a disabled member who had filed a preretirement election of an option and would permit a disabled member to file for a preretirement election of an option. The Governor determined that the cost of providing preretirement survivor benefit options to active members of CalSTRS and allowing disabled members to file for those options would increase annual costs and contribute to CalSTRS' unfunded liability. Sponsor: CFT	Governor Veto (9/27/87)
AB 2042 (Hughes) Intro 3/6/87	Postretirement Benefit Increases: Service Retirement	Defines the initial effective date when applying postretirement benefit increases at the time a disability allowance is converted to a service retirement allowance.	Chapter 327, Statutes of 1987
AB 2192 (Grisham) Intro 3/6/87	CalSTRS Technical Housekeeping	1) Adds clarifying changes related to CalSTRS investment managers; 2) deletes obsolete report requirements related to the transition of the CalSTRS investment function from CalPERS; 3) clarifies various CalSTRS plan design aspects related to "normal retirement age;" 4) deletes a reference to a repealed section of the Education Code; 5) adds a clarifying change related to the collection of overpayments; and 6) adds a technical amendment related to the CalSTRS Reduced Workload Program.	Chapter 330, Statutes of 1987
SB 200 (Roberti, et al.) Intro 1/20/87	Litigation: Closed Session Requirements	1) Provides, among other things, that a state body prior to holding a closed session to discuss litigation must require its legal counsel to prepare and submit a memorandum stating the specific reasons and legal authority for closed session; and 2) specifies that all expressions of lawyer-client privilege other than those provided in the litigation subdivision are abrogated. Sponsor: California Newspaper Publishers	Chapter 1320, Statutes of 1987
SB 748 (Royce) Intro 3/2/87	Modify Refund of Contributions: Member Exclusions	1) Authorizes the board, in the refunding of contributions, to dispense with the collection of amounts due from former members if the amount is \$50 or less; and 2) codifies administrative procedure by specifically excluding student interns, participants in the New Careers Program, instructional aides and teacher aides from CalSTRS membership.	Chapter 373, Statutes of 1987; effective 1/1/88



## 1987 State Legislation (1987–88 Legislative Session)

Initiative	Subject	Summary/Benefit(s)	Chapter # or Status
SB 990 (McCorquodale) Intro 3/4/87	Concurrent Retirement	Authorizes concurrent retirement for CalSTRS members with less than five years of CalSTRS service who move to employment covered by the Legislators' Retirement System.	Chapter 1312, Statutes of 1987; effective 1/1/88
SB 998 (Hart) Intro 3/4/87	Education Code Housekeeping	Major clean-up of nonsubstantive items in the Education Code.	Chapter 1452, Statutes of 1987; effective 1/1/88
SB 1130 (McCorquodale) Intro 3/5/87	Errors and Omissions	Authorizes the board to correct errors or omissions due to inadvertence, oversight, mistake of fact, mistake of law, or other cause by the board, the System, employers, members, or their beneficiaries.	Chapter 376, Statutes of 1987; effective 1/1/88
SB 1131 (McCorquodale) Intro 3/5/87	Teachers' Retirement Board: Community College Member	Provides reimbursement to a community college district for the cost of a replacement instructor when the regular instructor, while serving as an appointed board member, is on official System business.	Chapter 1395, Statutes of 1987; effective 1/1/88
SB 1194 (Robbins) Intro 3/5/87	Investments: Shareholder Rights	Requires specified corporations, upon written request of a shareholder, to inform the shareholder of the result of any particular vote taken at specified meetings for a period of 60 days following the conclusion of the meeting. Sponsor: Commission of Corporate Governance, Shareholder Rights and Securities Transactions	Chapter 408, Statutes of 1987; effective 1/1/88
SB 1464 (Keene) Intro 3/6/87	Investments: Shareholder Rights	Mandates an independent appraisal on a leveraged buy out offer by management to protect the interests of shareholders. Sponsor: Commission of Corporate Governance, Shareholder Rights and Securities Transactions	Chapter 627, Statutes of 1987; effective 1/1/88

