

AMENDED IN ASSEMBLY JUNE 19, 2002

AMENDED IN SENATE APRIL 1, 2002

SENATE BILL

No. 1580

Introduced by Senator Burton

February 20, 2002

An act to amend Section 22200 of, and to add Section 22200.5 to, the Education Code, relating to the State Teachers' Retirement System.

LEGISLATIVE COUNSEL'S DIGEST

SB 1580, as amended, Burton. Teachers' Retirement Board.

Under existing law, the State Teachers' Retirement System and the State Teachers' Retirement Plan are administered by the 12-member Teachers' Retirement Board, *as specified*. ~~Two of the members of the board must be members of the system or the plan, who are classroom teachers in kindergarten or grades 1 through 12, and another member must be a retirant of the system or the plan. All 3 of these members are appointed by the Governor for 4-year terms from a list submitted by the Superintendent of Public Instruction. Another member of the board is required to be a community college instructor with expertise in business or economics or both, and is appointed by the Governor for a 4-year term from a list submitted by the Board of Governors of the California Community Colleges.~~

This bill would, instead, require that all 4 of these members of the board be elected, at elections conducted by the board, by the members of the group to which they belong, for 4-year terms, to commence at specified intervals. It would require that 2 members be classroom teachers of kindergarten or grades 1 through 12 *revise the composition of the membership of the board, as specified, provide for the election or*

appointment of those members, and specify the terms and qualifications of those members who do not serve *ex officio*.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 22200 of the Education Code is
 2 amended to read:
 3 ~~22200. (a) The plan and the system are administered by the~~
 4 ~~Teachers' Retirement Board. The members of the board are as~~
 5 ~~follows:~~
 6 ~~(1) The Superintendent of Public Instruction.~~
 7 ~~(2) The Controller.~~
 8 ~~(3) The Treasurer.~~
 9 ~~(4) The Director of Finance.~~
 10 ~~(5) One person who, at the time of appointment, is a member~~
 11 ~~of the governing board of a school district or a community college~~
 12 ~~district. The member shall be appointed by the Governor for a~~
 13 ~~four-year term from a list submitted by the Superintendent of~~
 14 ~~Public Instruction.~~
 15 ~~(6) Three persons who are either members of the Defined~~
 16 ~~Benefit Program or participants in the Cash Balance Benefit~~
 17 ~~Program, as follows:~~
 18 ~~(A) Two persons who, at the time of election, are classroom~~
 19 ~~teachers and active members of the system or participants of the~~
 20 ~~Cash Balance Benefit Program. These members shall be elected by~~
 21 ~~the active members of the system or participants of the Cash~~
 22 ~~Balance Benefit Program who are classroom teachers in~~
 23 ~~kindergarten or grades 1 through 12, for four-year terms~~
 24 ~~commencing upon the expirations of the terms in existence on~~
 25 ~~January 1, 2003.~~
 26 ~~(B) One person who, at the time of election, is a community~~
 27 ~~college instructor who shall be elected by the active community~~
 28 ~~college members of the system. This member shall be elected~~
 29 ~~pursuant to regulations adopted by the board, for a four-year term,~~
 30 ~~commencing upon the expiration of the term in existence on~~
 31 ~~January 1, 2003.~~
 32 ~~(7) One member who is a retired member of the Defined~~
 33 ~~Benefit Program or a participant receiving an annuity under the~~



1 ~~Cash Balance Benefit Program~~ elected by the retired members of
2 the ~~Defined Benefit Program~~ and the participants receiving an
3 annuity under the ~~Cash Balance Benefit Program~~. This member
4 shall be elected pursuant to regulations adopted by the board, for
5 a four-year term, commencing upon the expiration of the term in
6 existence on January 1, 2003.

7 ~~(8) One officer of a life insurance company appointed by the~~
8 ~~Governor for a term of four years, subject to confirmation by the~~
9 ~~Senate.~~

10 ~~(9) One officer of a bank or a savings and loan institution who~~
11 ~~has had at least five years of broad professional investment~~
12 ~~experience handling various asset classes such as stocks, bonds,~~
13 ~~and mortgage investments and who shall be appointed by the~~
14 ~~Governor for a term of four years, subject to confirmation by the~~
15 ~~Senate.~~

16 ~~(10) One person representing the public, appointed by the~~
17 ~~Governor for a term of four years, subject to confirmation by the~~
18 ~~Senate.~~

19 ~~(b) The term of the office of each member described in~~
20 ~~paragraph (5) of subdivision (a) shall be adjusted so as to~~
21 ~~commence on January 1 and to expire on December 31 of the~~
22 ~~calendar year.~~

23 ~~(c) The members of the board shall annually elect a chairperson~~
24 ~~and vice chairperson.~~

25 22200. *(a) The plan and the system are administered by the*
26 *Teachers' Retirement Board. The members of the board are as*
27 *follows:*

28 *(1) The Superintendent of Public Instruction.*

29 *(2) The Controller.*

30 *(3) The Treasurer.*

31 *(4) The Director of Finance.*

32 *(5) One person who, at the time of appointment, is a member*
33 *of the governing board of a school district or a community college*
34 *district. The member shall be appointed by the Governor for a*
35 *four-year term from a list submitted by the Superintendent of*
36 *Public Instruction.*

37 *(6) Four persons who are either members of the Defined*
38 *Benefit Program or participants in the Cash Balance Benefit*
39 *Program, as follows:*



1 (A) Two persons who, at the time of election, are active
2 members of the Defined Benefit Program or active participants of
3 the Cash Balance Benefit Program employed by a school district
4 that provides instruction for grades K to 12, inclusive, or county
5 office of education, in a position other than a school administrator
6 that requires a services credential with a specialization in
7 administrative services. These members shall be elected by the
8 active members of the Defined Benefit Program and active
9 participants of the Cash Balance Benefit Program who are
10 employed by a school district that provides instruction for grades
11 K to 12, inclusive, or county office of education, pursuant to
12 regulations adopted by the board, for four-year terms commencing
13 upon the expirations of the terms in existence on January 1, 2003.

14 (B) One person who, at the time of election, is an active member
15 of the Defined Benefit Program or active participant of the Cash
16 Balance Benefit Program employed by a school district that
17 provides instruction for grades K to 12, inclusive, or county office
18 of education. This member shall be elected by the active members
19 of the Defined Benefit Program and active participants of the Cash
20 Balance Benefit Program who are employed by a school district
21 that provides instruction for grades K to 12, inclusive, or county
22 office of education. This member shall be elected pursuant to
23 regulations adopted by the board, for a four-year term,
24 commencing upon the expiration of the term of the member that is
25 an officer of a bank or a savings and loan institution appointed by
26 the Governor prior to January 1, 2003.

27 (C) One person who, at the time of election, is a community
28 college instructor and an active member of the Defined Benefit
29 Program or active participant of the Cash Balance Benefit
30 Program employed by a community college district, who shall be
31 elected by the active community college members of the Defined
32 Benefit Program and active community college participants of the
33 Cash Balance Benefit Program. This member shall be elected
34 pursuant to regulations adopted by the board, for a four-year term,
35 commencing upon the expiration of the term in existence on
36 January 1, 2003.

37 (7) One member who is a retired member of the Defined Benefit
38 Program, or a participant receiving an annuity under the Cash
39 Balance Benefit Program elected by the retired members of the
40 Defined Benefit Program, members of the Defined Benefit



1 *Program receiving a disability allowance, and the participants*
2 *receiving an annuity under the Cash Balance Benefit Program.*
3 *This member shall be elected pursuant to regulations adopted by*
4 *the board, for a four-year term, commencing upon the expiration*
5 *of the term in existence on January 1, 2003.*

6 *(8) One officer of a life insurance company appointed by the*
7 *Governor for a term of four years, subject to confirmation by the*
8 *Senate.*

9 *(9) One person representing the public, appointed by the*
10 *Governor for a term of four years, subject to confirmation by the*
11 *Senate.*

12 *(b) The term of office of each member described in paragraphs*
13 *(6) and (7) of subdivision (a) shall be adjusted so as to commence*
14 *on January 1 and to expire on December 31 of the calendar year.*

15 *(c) The members of the board shall annually elect a*
16 *chairperson and vice chairperson.*

17 *(d) A person who is employed to perform creditable service by*
18 *both a community college district and a school district that*
19 *provides instruction for grades K to 12, inclusive, or county office*
20 *of education, may only be elected to the position on the board that*
21 *corresponds to the position in which they accrued the most service*
22 *credit during the prior school year.*

23 *(e) A person who is employed to perform creditable service by*
24 *both a community college district and a school district that*
25 *provides instruction for grades K to 12, inclusive, or county office*
26 *of education, may only vote in the board election that corresponds*
27 *to the position in which they accrued the most service credit during*
28 *the prior school year.*

29 SEC. 2. Section 22200.5 is added to the Education Code, to
30 read:

31 22200.5. (a) The board shall conduct the elections of
32 members described in paragraphs (6) and (7) of subdivision (a) of
33 Section 22200 pursuant to regulations adopted by the board.

34 (b) The board shall hold special elections to fill vacancies that
35 occur during the term of the elected members of the board. If, at
36 the time a vacancy occurs, the unexpired term is less than two
37 years, the new member elected to fill the vacancy shall hold office
38 for a period equal to the remainder of the term of the vacated office
39 plus four years.



1 (c) The regulations adopted by the board pursuant to this
2 section and Section 22200 shall not be subject to Article 3.5
3 (commencing with Section 11340) of Part 1 of Division 3 of Title
4 2 of the Government Code.

5 (d) The regulations adopted by the board shall provide that the
6 elections be conducted in the most cost-effective manner deemed
7 feasible. The board, where practicable, shall consolidate election
8 mailings with other mailings and shall address any other feasible
9 cost-saving measures.

