

ASSEMBLY BILL

No. 736

Introduced by Assembly Member Cooley

February 25, 2015

An act to amend Section 22212.5 of the Education Code, relating to state teachers' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 736, as introduced, Cooley. State teachers' retirement: executive positions.

The Teachers' Retirement Law creates the State Teachers' Retirement System and State Teachers' Retirement Plan for the purpose of providing teachers and other specified employees with financially sound retirement plans. The law provides for the administration of the system and the plan by the Teachers' Retirement Board and authorizes the board to appoint employees as necessary for those purposes. The law requires the board to fix the compensation of specified executive and managerial positions, including chief executive officer, chief investment officer, and general counsel.

This bill would additionally require the board to fix the compensation of the chief operating officer and chief financial officer.

Existing law prohibits, among others, a chief of staff, deputy chief executive officer, or an equivalent senior management position, for a period of 2 years after leaving that position, from appearing before or communicating with the board for the purpose of influencing actions or proceedings, for compensation, as specified.

This bill would remove that restriction from the positions listed above and instead apply the restriction to the chief operating officer and

individuals who held career executive assignment positions that reported directly to either the chief executive officer or the chief operating officer.

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 22212.5 of the Education Code is
 2 amended to read:
 3 22212.5. (a) Except as otherwise provided in subdivision (d),
 4 this section shall apply to the following positions in the system:
 5 chief executive officer, *chief operating officer, chief financial*
 6 *officer*, system actuary, general counsel, chief investment officer,
 7 and other investment officers and portfolio managers whose
 8 positions are designated managerial pursuant to Section 18801.1
 9 of the Government Code.
 10 (b) Notwithstanding Sections ~~19816~~, 19825, 19826, 19829, and
 11 19832 of the Government Code, the board shall fix the
 12 compensation for the positions specified in subdivision (a). In so
 13 doing, the board shall be guided by the principles contained in
 14 Sections 19826 and 19829 of the Government Code, consistent
 15 with its fiduciary responsibility to its members to recruit and retain
 16 highly qualified and effective employees for these positions.
 17 (c) When a position specified in subdivision (a) is filled through
 18 a general civil service appointment, it shall be filled from an
 19 eligible list based on an examination that was held on an open
 20 basis, and tenure in those positions shall be subject to the provisions
 21 of Article 2 (commencing with Section 19590) of Chapter 7 of
 22 Part 2 of Division 5 of Title 2 of the Government Code. In addition
 23 to the causes for action specified in that article, the board may take
 24 action under the article for causes related to its fiduciary
 25 responsibility to its members, including the employee’s failure to
 26 meet specified performance objectives.
 27 (d) An individual who held a position designated in subdivision
 28 (a), ~~or was a member of the board, a chief of staff, a deputy chief~~
 29 ~~executive officer, chief financial officer, or was in an equivalent~~
 30 ~~senior management position, or was in a career executive~~
 31 *assignment position that reported directly to either the chief*
 32 *executive officer or the chief operating officer*, shall not, for a
 33 period of two years after leaving that position, for compensation,

1 act as agent or attorney for, or otherwise represent, any other
2 person, except the state, by making any formal or informal
3 appearance before or by making any oral or written communication
4 to the board, or any officer or employee thereof, if the appearance
5 or communication is made for the purpose of influencing
6 administrative or legislative action or any action or proceeding
7 involving the issuance, amendment, awarding, or revocation of a
8 permit, license, grant, contract, or sale or purchase of goods or
9 property.

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