

ASSEMBLY BILL

No. 885

Introduced by Assembly Member Honda

February 27, 1997

An act to amend Section 22200 of, and to add Section 22200.1 to, the Education Code, relating to the State Teachers' Retirement System, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 885, as introduced, Honda. Teachers' Retirement Board.

Under existing law, the State Teachers' Retirement System and the State Teachers' Retirement System Cash Balance Plan are administered by the 12-member Teachers' Retirement Board. 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 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 one member be a classroom teacher of kindergarten or grades 1 through 6, and another member be a classroom teacher of grades 7 through 12. This bill would delete the requirement that the community college instructor have expertise in business or economics or both.

This bill would require the board to adopt regulations regarding these elections, and would exempt the regulations from the requirements of the Administrative Procedure Act.

This bill would permit the board to establish a full-time position to implement the regulations and would appropriate \$62,500 from the Teachers' Retirement Fund to the board for that purpose.

Vote: majority. Appropriation: yes. 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 system is managed by the Teachers'
 4 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
 11 member of the governing board of a school district or a
 12 community college district. *The member shall be*
 13 *appointed by the Governor for a four-year term from a list*
 14 *submitted by the Superintendent of Public Instruction.*
 15 (6) Three persons who are members of the Defined
 16 Benefit Plan or participants of the Cash Balance Plan, as
 17 follows:
 18 (A) Two persons who, at the time of ~~appointment,~~
 19 *election, are classroom teachers and active members of*
 20 *the system or participants of the Cash Balance Plan.*
 21 *These members shall be elected by the active members*
 22 *of the system or participants of the Cash Balance Plan*
 23 *who are classroom teachers in kindergarten or grades 1*



1 through 12. Pursuant to regulations adopted by the
2 board, of these two members, one member, who shall be
3 a classroom teacher of kindergarten or grades 1 through
4 6, and one member who shall be a classroom teacher of
5 grades 7 through 12, shall be elected for a four-year term
6 commencing upon the expirations of the terms in
7 existence on January 1, 1998.

8 (B) One person who, at ~~time of appointment~~ the time
9 of election, is a community college instructor with
10 expertise in the areas of business or economics or both
11 business and economics and who shall be appointed by
12 the Governor for a term of four years from a list submitted
13 by the Board of Governors of the California Community
14 Colleges who shall be elected by the active community
15 college members of the system. This member shall be
16 elected pursuant to regulations adopted by the board, for
17 a four-year term, commencing upon the expiration of the
18 term in existence on January 1, 1998.

19 (7) One ~~person~~ member who is a retired member of
20 the Defined Benefit Plan or a participant receiving an
21 annuity under the Cash Balance Plan elected by the
22 retired members of the Defined Benefit Plan and the
23 participants receiving an annuity under the Cash Balance
24 Plan. This member shall be elected pursuant to
25 regulations adopted by the board, for a four-year term,
26 commencing upon the expiration of the term in existence
27 on January 1, 1998.

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

31 (9) One officer of a bank or a savings and loan
32 institution who has had at least five years of broad
33 professional investment experience handling various
34 asset classes such as stocks, bonds, and mortgage
35 investments and who shall be appointed by the Governor
36 for a term of four years, subject to confirmation by the
37 Senate.

38 (10) One person representing the public, appointed
39 by the Governor for a term of four years, subject to
40 confirmation by the Senate.



1 ~~(b) The members of the board described in~~
 2 ~~paragraphs (5) and (7) and subparagraph (A) of~~
 3 ~~paragraph (6) of subdivision (a) shall be appointed by the~~
 4 ~~Governor for four-year terms from a list submitted by the~~
 5 ~~Superintendent of Public Instruction. The term of the~~
 6 ~~office of each member described in paragraphs (6) and~~
 7 ~~(7) of subdivision (a) shall be adjusted so as to commence~~
 8 ~~on January 1 and to expire on December 31 of the~~
 9 ~~calendar year.~~

10 (c) The members of the board shall annually elect a
 11 chairperson and vice chairperson.

12 SEC. 2. Section 22200.1 is added to the Education
 13 Code, to read:

14 22200.1. (a) The board shall conduct the elections of
 15 members described in paragraphs (6) and (7) of
 16 subdivision (a) of Section 22200 pursuant to regulations
 17 adopted by the board.

18 (b) The board shall hold special elections to fill
 19 vacancies that occur during the term of the elected
 20 members of the board. If, at the time a vacancy occurs,
 21 the unexpired term is less than two years, the new
 22 member elected to fill the vacancy shall hold office for a
 23 period equal to the remainder of the term of the vacated
 24 office plus four years.

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

29 (d) The regulations adopted by the board shall
 30 provide that the elections be conducted in the most
 31 cost-effective manner deemed feasible. The board,
 32 where practicable, shall consolidate election mailings
 33 with other mailings and shall address any other feasible
 34 cost-saving measures.

35 (e) The board may establish a full-time position, as
 36 required, to implement this section.

37 SEC. 3. There is hereby appropriated the sum of
 38 sixty-two thousand five hundred dollars (\$62,500) from
 39 the Teachers' Retirement Fund to the Teachers'
 40 Retirement Board for the 1998-99 fiscal year for



1 expenditure for the purposes of subdivision (e) of Section
2 22200.1 of the Education Code and other costs associated
3 with this act.

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