

AMENDED IN ASSEMBLY AUGUST 7, 2000

AMENDED IN ASSEMBLY JUNE 14, 2000

AMENDED IN SENATE MAY 30, 2000

AMENDED IN SENATE MAY 16, 2000

AMENDED IN SENATE APRIL 13, 2000

SENATE BILL

No. 1505

Introduced by Senator Alarcón Burton
(Principal coauthor: Assembly Member Correa)

February 15, 2000

~~An act to amend Sections 24216.5, 44386, 44395, 44396, 69532, 69612, 69612.5, 69613, 69613.1, 69613.5, 69613.6, 69614, 69615.4, and 69615.6 of, to amend and renumber Section 44397 of, to add Chapter 3.36 (commencing with Section 44735) and Chapter 3.44 (commencing with Section 44751) to Part 25 of, to add Article 21 (commencing with Section 70000) to Chapter 2 of Part 42 of, and to repeal Sections 69613.3 and 69613.55 of, the Education Code, relating to teachers, and declaring the urgency thereof, to take effect immediately. An act to amend Sections 22141, 24410.5, 24415, and 24417 of, and to add Section 24410.6 to, the Education Code, relating to state teachers' retirement.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 1505, as amended, ~~Alarcón~~ *Burton*. ~~Teachers: recruitment and incentives~~ *State Teachers' Retirement System: minimum benefits.*

The State Teachers' Retirement Law establishes minimum annual retirement allowance amounts that are payable to retired members, option beneficiaries, and surviving spouses who were receiving an allowance on January 1, 2000, and also provides for additional distributions to restore the purchasing power of retirement allowances to specified levels.

This bill would additionally make those minimum allowance amounts applicable to retired members, option beneficiaries, and surviving spouses who are receiving an allowance on January 1, 2001, and who meet other specified criteria and provide that those benefits shall be initially paid on or before September 1, 2001, except as specified. The bill would also provide for additional distributions to restore the purchasing power of those minimum allowance amounts provided for in the bill and in existing law.

~~(1) Existing law exempts a member of the State Teachers' Retirement System who is retired for service from certain limitations on the amount of compensation the member may earn for performing certain creditable activities without suffering a reduction in his or her retirement allowance if the member is employed to mitigate the effects of teacher shortages attributable to recent class size reduction legislation affecting kindergarten and grades 1 to 3, inclusive.~~

~~This bill would instead, commencing in the 2000-01 school year, exempt a member who retired for service effective January 1, 2000, and is employed to provide direct classroom instruction to pupils in kindergarten or any of grades 1 to 12, inclusive, 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.~~

~~(2) Existing law provides incentive grant funding to school districts and county offices of education that operate or propose to operate an alternative certification program and limits the amount of a grant to \$1,500 per intern per year.~~

~~This bill would increase the maximum amount of a grant to \$2,500.~~

~~(3) Existing law establishes the National Board for Professional Teaching Standards Certification Incentive~~



~~Program to provide one-time \$10,000 merit awards to teachers who are employed by school districts or charter schools, are assigned to teach in the public schools, and have attained certification from the National Board for Professional Teaching Standards.~~

~~This bill would provide an additional \$20,000 to the recipient if the teacher agrees to teaching for 4 years in a low-performing school and would define a low-performing school as one that is in the bottom half of all schools based on the Academic Performance Index.~~

~~(4) Existing law requires the establishment and operation of a resource center that collects and maintains information regarding programs that encourage or assist military personnel, upon retirement, to enter the teaching profession. Existing law establishes the California School Paraprofessional Teacher Training Program to recruit paraprofessionals to participate in a program designed to encourage them to enroll in teacher training programs and to provide instructional service as teachers in the public schools. Existing law establishes the Science, Mathematics, and Technology Teacher Pipeline Program to identify, support, and assist elementary, secondary, and postsecondary students to become teachers of science, mathematics, or technology. Existing law establishes the California Center on Teaching Careers to recruit individuals into the teaching profession.~~

~~This bill would establish the Teaching as a Priority Block Grant Program, to be administered by the State Department of Education, to award block grants to school districts to provide incentives to attract credentialed teachers to be employed and retained in low-performing schools.~~

~~This bill would also establish the Teacher Recruitment Initiative Program, to be administered by the Sacramento County Office of Education. The Sacramento County Office of Education would award incentive grants, as specified, to qualifying school districts or county offices of education in amounts that total no more than \$700 multiplied by the number of teachers to be hired.~~

~~(5) Existing law establishes an Assumption Program of Loans for Education under which an applicant enrolled in a participating institution of postsecondary education, or an~~



~~applicant who agrees to participate in a teacher trainee or teacher internship program, and who further agrees to obtain a teaching credential in subject areas that are designated as current or projected shortage areas or to provide classroom instruction in schools that serve large populations of pupils from low income families, serve rural areas, or have a high percentage of teachers holding emergency permits, is eligible to receive a conditional warrant for loan assumption, to be redeemed pursuant to a prescribed procedure upon becoming employed as a teacher. Existing law requires an applicant to enroll in at least 10 semester units or the equivalent. Existing law sets aside 40% of the warrants for applicants who agree to obtain teaching credentials in any subject area and to teach in schools that serve large populations of pupils from low income families and 60% of the warrants for applicants who agree to obtain a teaching credential in a subject area that is currently or is projected to be a shortage area.~~

~~This bill would also make an applicant enrolled in a participating institution of postsecondary education or an applicant who agrees to participate in a teacher trainee or teacher internship program, and who further agrees to teach in a low-performing school, as defined, eligible for a warrant. The bill would require an applicant to be enrolled on at least a half-time basis rather than 10 semester units and would eliminate the set-asides. The bill would require the Student Aid Commission to reexamine its outreach and marketing strategies relative to the program.~~

~~(6) Existing law requires the annual distribution of 500 warrants under the Assumption Program of Loans for Education for the recruitment of out-of-state teachers.~~

~~This bill would instead authorize the distribution of warrants without reference to the number of warrants to be distributed.~~

~~(7) Existing law requires the annual distribution of a minimum of 2,000 of the warrants under the Assumption Program of Loans for Education to applicants who agree to obtain a teaching credential in mathematics or science and 50 warrants to project centers of the Science, Mathematics, and~~



~~Technology Teacher Pipeline Program for participants in that program.~~

~~This bill would delete these provisions:~~

~~(8) Existing law requires the distribution for the 1999-2000 school year of a maximum 5,500 student loans for participants of the Assumption Program of Loans for Education. Notwithstanding this maximum, existing law requires the issuing of warrants in a quantity determined by the Legislature in the annual Budget Act for the assumption of student loans for applicants who agree to teach in rural schools and schools with a high percentage of teachers holding emergency permits.~~

~~This bill would increase the maximum number of student loans to 6,500 and would require the issuing of warrants in a quantity determined by the Governor and Legislature in the annual Budget Act for the assumption of student loans regardless of the eligibility category of the applicant, but would allow a set-aside of 100 warrants for applicants who agree to teach in school districts serving rural areas.~~

~~(9) Existing law establishes Cal Grant T awards as a state educational opportunity grant program under which Cal Grant T awards are made to students who have completed a baccalaureate degree and are admitted to a program of professional teacher preparation for tuition and student fees for a maximum of one academic year of full-time attendance at a program of professional teacher preparation and the Assumption Program of Loans for Education described in paragraphs (6) to (9), inclusive, above.~~

~~This bill would require the California Student Aid Commission to report, as specified, on the number of Cal Grant T award recipients that become public school teachers.~~

~~The bill would also establish the Governor's Teaching Fellowship Program to be administered by the Chancellor's Office of the California State University and under which \$20,000 nonrenewable graduate teaching fellowships would be awarded to graduate students who agree to teach at a low-performing school for 4 years. The fellowships would be used to defer tuition and living expenses for a teacher certification program at any accredited postsecondary institution in California. The bill would establish an~~



~~intersegmental review committee to review all fellowship applications.~~

~~(10) This bill would become operative only if SB 1330 is chaptered.~~

~~(11) This bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: $\frac{2}{3}$ —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. (a) The Legislature finds and declares~~
2 ~~as follows:~~

3 *SECTION 1. Section 22141 of the Education Code is*
4 *amended to read:*

5 22141. Notwithstanding Section 22140,
6 “improvement factor” means an increase of 2 percent in
7 benefits provided under Sections 24408 and 24409 for
8 each year commencing on September 1, 1981, *under*
9 *Section 24410.5 for each year commencing on September*
10 *1, 2001, and under Section 24410.6 for each year*
11 *commencing on September 1, 2002.* The factor shall not
12 be compounded nor shall it be applicable to annuities
13 payable from the accumulated annuity deposit
14 contributions or the accumulated tax-sheltered annuity
15 contributions. The Legislature reserves the right to adjust
16 the amount of the improvement factor up or down as the
17 economic conditions dictate. No adjustments of the
18 improvement factor shall reduce the monthly retirement
19 allowance or benefit below that which would be payable
20 to the recipient under this part had this section not been
21 enacted.

22 *SEC. 2. Section 24410.5 of the Education Code is*
23 *amended to read:*

24 24410.5. (a) Notwithstanding any provision of this
25 part, including, but not limited to, subdivision (e) of
26 Section 22664, the annual allowance payable on the
27 effective date of this section to a retired member, an
28 option beneficiary, or a surviving spouse receiving an
29 allowance pursuant to either Section 23805 or 23855 shall



1 not be less than the amount identified in the following
 2 schedule for the number of years of the member's
 3 credited service under the Defined Benefit Program at
 4 the time of the member's retirement, disability, or death,
 5 excluding service credited pursuant to Sections 22714,
 6 22715, 22717, and 22826, after the application of all
 7 allowances and allowance increases authorized by this
 8 part, including those specified in Sections 24412 and
 9 24415, as those sections read on December 31, 1999,
 10 excluding annuities payable from the accumulated
 11 annuity deposit contributions or the accumulated
 12 tax-sheltered annuity contributions, ~~and excluding those~~
 13 ~~provided pursuant to Section 24410.7:~~

15	20 years of credited service	\$15,000
16	21 years of credited service	\$15,500
17	22 years of credited service	\$16,000
18	23 years of credited service	\$16,500
19	24 years of credited service	\$17,000
20	25 years of credited service	\$17,500
21	26 years of credited service	\$18,000
22	27 years of credited service	\$18,500
23	28 years of credited service	\$19,000
24	29 years of credited service	\$19,500
25	30 years or more of credited service	\$20,000

26
 27 (b) Notwithstanding subdivision (a), the amount
 28 identified in the schedule in subdivision (a) shall be
 29 reduced:

30 (1) By 50 percent for a beneficiary receiving an
 31 allowance under Option 3 or Option 7.

32 (2) By one-third for an option beneficiary receiving an
 33 allowance under Option 4 after the death of the member
 34 or for a member receiving an allowance under Option 4
 35 after the death of the option beneficiary.

36 (3) By 50 percent for an option beneficiary receiving
 37 an allowance under Option 5 after the death of the
 38 member or for a member receiving an allowance under
 39 Option 5 after the death of the option beneficiary.



1 (4) By a percentage equal to 100 percent minus the
2 percentage of the member's modified allowance
3 received by the option beneficiary for each option
4 beneficiary receiving an allowance under Option 8.

5 (5) By 60 percent for a surviving spouse receiving an
6 allowance pursuant to subdivision (a) of Section 23805.

7 (6) By 50 percent for a surviving spouse receiving an
8 allowance pursuant to subdivision (c) of Section 23805 or
9 Section 23855.

10 (c) A member to whom a disability allowance is
11 payable on January 1, 2000, who subsequently receives a
12 service retirement allowance pursuant to Section 24213
13 shall, upon the retirement for service, receive an increase
14 in the service retirement allowance pursuant to this
15 section.

16 (d) A member, beneficiary, or surviving spouse may
17 receive an allowance pursuant to this section only if the
18 member was an active member at the time of the
19 member's retirement, or death and, for those members
20 who retired for service, the member retired on or after
21 age 55, unless the member's allowance was not subject to
22 a reduction due to retirement prior to an age specified in
23 this part.

24 (e) A retired member, option beneficiary, or surviving
25 spouse subject to this section shall receive the annual
26 minimum allowance pursuant to this section unless the
27 system receives in writing, on a form prescribed by the
28 system, notification from the member, option
29 beneficiary, or surviving spouse before May 1, 2000, of his
30 or her election not to receive the increase provided under
31 this section.

32 (f) Benefits payable under this section shall be initially
33 paid by the system on July 1, 2000.

34 *SEC. 3. Section 24410.6 is added to the Education*
35 *Code, to read:*

36 *24410.6. (a) Notwithstanding any provision of this*
37 *part, including, but not limited to, subdivision (e) of*
38 *Section 22664, and except as provided in subdivisions (b)*
39 *and (c), the annual allowance payable on the effective*
40 *date of this section to a retired member, an option*



1 beneficiary, or a surviving spouse receiving an allowance
 2 pursuant to either Section 23805 or 23855 shall not be less
 3 than the amount identified in the following schedule for
 4 the number of years of the member's credited service
 5 under the Defined Benefit Program at the time of the
 6 member's retirement, disability, or death, excluding
 7 service credited pursuant to Sections 22714, 22715, 22717,
 8 and 22826, after the application of all allowances and
 9 allowance increases authorized by this part, including
 10 those specified in Sections 24412 and 24415, as those
 11 sections read on December 31, 2000, excluding annuities
 12 payable from the accumulated annuity deposit
 13 contributions or the accumulated tax-sheltered annuity
 14 contributions:

15		
16	20 years of credited service	\$15,000
17	21 years of credited service	\$15,500
18	22 years of credited service	\$16,000
19	23 years of credited service	\$16,500
20	24 years of credited service	\$17,000
21	25 years of credited service	\$17,500
22	26 years of credited service	\$18,000
23	27 years of credited service	\$18,500
24	28 years of credited service	\$19,000
25	29 years of credited service	\$19,500
26	30 years or more of credited service	\$20,000

27
 28 (b) Notwithstanding subdivision (a), the amount
 29 identified in the schedule in subdivision (a) shall be
 30 reduced:

31 (1) By 50 percent for a beneficiary receiving an
 32 allowance under Option 3 or Option 7.

33 (2) By one-third for an option beneficiary receiving an
 34 allowance under Option 4 after the death of the member
 35 or for a member receiving an allowance under Option 4
 36 after the death of the option beneficiary.

37 (3) By 50 percent for an option beneficiary receiving
 38 an allowance under Option 5 after the death of the
 39 member or for a member receiving an allowance under
 40 Option 5 after the death of the option beneficiary.



1 (4) By a percentage equal to 100 percent minus the
2 percentage of the member's modified allowance
3 received by the option beneficiary for each option
4 beneficiary receiving an allowance under Option 8.

5 (5) By 60 percent for a surviving spouse receiving an
6 allowance pursuant to subdivision (a) of Section 23805.

7 (6) By 50 percent for a surviving spouse receiving an
8 allowance pursuant to subdivision (c) of Section 23805 or
9 Section 23855.

10 (c) A benefit shall be paid pursuant to this section only
11 if both of the following apply:

12 (1) The retired member, the option beneficiary, or the
13 surviving spouse had an allowance payable on January 1,
14 2000, and was not eligible to receive a benefit pursuant to
15 Section 24410.5.

16 (2) The retired member or the member whose service
17 was the basis of the allowance payable to the option
18 beneficiary or surviving spouse was one of the following:

19 (A) A member who retired prior to the age of 55 years,
20 provided the minimum allowance specified in
21 subdivision (a) shall be reduced to an amount equal to
22 that minimum allowance multiplied by the ratio of the
23 percentage of final compensation per year of credited
24 service on which the member's initial allowance was
25 based to 1.4.

26 (B) A member who was paid a retirement allowance
27 pursuant to Section 24213, if the member's credited
28 service, excluding service credited pursuant to Sections
29 22714, 22715, 22717, and 22826, was less than 20 years but
30 whose projected service to normal retirement age,
31 excluding service credited pursuant to Sections 22714,
32 22715, 22717, and 22826, was equal to or greater than 20
33 years, provided that the minimum allowance payable
34 shall be based on 20 years of credited service.

35 (C) A member who retired as an inactive member.

36 (D) A member who retired prior to March 21, 1974,
37 with 19.5 years or more of credited service, provided that
38 the minimum allowance payable shall be based on 20
39 years of credited service.



1 (E) A member who retired on or after March 21, 1974,
2 and prior to January 1, 2000, and whose credited service,
3 excluding service credited pursuant to Sections 22714,
4 22715, 22717, and 22826, was less than 20 years, but whose
5 credited service, excluding service credited pursuant to
6 Sections 22714, 22715, and 22826, but including service
7 credited pursuant to Section 22717, was equal to or
8 greater than 20 years, provided that the minimum
9 allowance payable shall be based on 20 years of credited
10 service.

11 (d) A retired member, option beneficiary, or
12 surviving spouse subject to this section shall receive the
13 annual minimum allowance pursuant to this section
14 unless the system receives in writing, on a form
15 prescribed by the system, notification from the member,
16 option beneficiary, or surviving spouse of his or her
17 election not to receive the increase provided under this
18 section.

19 (e) Benefits payable under this section shall be initially
20 paid by the system on or before September 1, 2001.

21 SEC. 4. Section 24415 of the Education Code is
22 amended to read:

23 24415. (a) The proceeds of the Supplemental Benefit
24 Maintenance Account shall be distributed annually in
25 quarterly supplemental payments commencing on
26 September 1, 1990, to retired members, disabled
27 members, and beneficiaries. The amount available for
28 distribution in any fiscal year shall not exceed the amount
29 necessary to restore purchasing power up to 75 percent
30 of the purchasing power of the initial monthly allowance
31 after the application of all allowance increases authorized
32 by this part, including those specified in Section 24412,
33 but excluding those provided pursuant Sections 22410.5
34 and 24410.6.

35 (b) The net revenues to be distributed shall be
36 allocated among those retired members, disabled
37 members, and beneficiaries whose allowances, after
38 sequentially applying the annual improvement factor as
39 defined in Sections 22140 and 22141, and the annual
40 supplemental payment as defined in Section 24412, have



1 the lowest purchasing power percentage. The purchasing
2 power calculation for each individual shall be based on
3 the change in the All Urban California Consumer Price
4 Index between June of the calendar year of retirement
5 and June of the fiscal year preceding the fiscal year of
6 distribution. In any year in which the purchasing power
7 of the allowances of all retired members, disabled
8 members, and beneficiaries equals not less than 75
9 percent and additional funds remain from the allocation
10 authorized by this section, those funds shall remain in the
11 Supplemental Benefit Maintenance Account for
12 allocation in future years.

13 (c) The allowance increase shall not be applicable to
14 annuities payable from the accumulated annuity deposit
15 contributions or the accumulated tax-sheltered annuity
16 contributions.

17 (d) The benefits provided by subdivision (b) are not
18 cumulative, not part of the base allowance, and will be
19 payable only to the extent that funds are available from
20 the Supplemental Benefit Maintenance Account. The
21 board shall inform each recipient of the contents of this
22 subdivision.

23 (e) The adjustments authorized by this section are
24 vested only up to the amount payable as a result of the
25 annual appropriation made pursuant to Section 22954 and
26 shall not be included in the base allowance for purposes
27 of calculating the annual improvement defined by
28 Sections 22140 and 22141.

29 (f) *Notwithstanding subdivision (b), for purposes of*
30 *restoring the purchasing power of benefits provided*
31 *pursuant to Section 24410.5 for members and*
32 *beneficiaries receiving benefits pursuant to subdivision*
33 *(b), the purchasing power calculation shall be based on*
34 *75 percent of the change in the All Urban California*
35 *Consumer Price Index between January 2000, and June*
36 *of the fiscal year preceding the fiscal year of distribution,*
37 *after the application of increases authorized by Section*
38 *24412 that are made to those benefits.*

39 (g) *Notwithstanding subdivision (b), for purposes of*
40 *restoring the purchasing power of benefits provided*



1 pursuant to Section 24410.6 for members and
2 beneficiaries receiving benefits pursuant to subdivision
3 (b), the purchasing power calculation shall be based on
4 75 percent of the change in the All Urban California
5 Consumer Price Index between January 2001, and June
6 of the fiscal year preceding the fiscal year of distribution,
7 after the application of increases authorized by Section
8 24412 that are made to those benefits.

9 SEC. 5. Section 24417 of the Education Code is
10 amended to read:

11 24417. (a) The proceeds of an auxiliary
12 Supplemental Benefit Maintenance Account shall be
13 distributed annually in quarterly supplemental
14 payments, commencing when funds in the Supplemental
15 Benefit Maintenance Account are insufficient to support
16 75 percent, to retired members, disabled members, and
17 beneficiaries. The amount available for distribution in
18 any fiscal year shall not exceed the amount necessary to
19 restore purchasing power up to 75 percent of the
20 purchasing power of the initial monthly allowance after
21 the application of all allowance increases authorized by
22 this part, including those specified in Section 24412 and
23 Section 24415, and excluding those provided pursuant to
24 Section 24410.

25 (b) The net revenues to be distributed shall be
26 allocated among those retired members, disabled
27 members, and beneficiaries whose allowances, after
28 sequentially applying the annual improvement factor as
29 defined in Sections 22140 and 22141, and the annual
30 supplemental payment as defined in Section 24412 and
31 Section 24415, have the lowest purchasing power
32 percentage. The purchasing power calculation for each
33 individual shall be based on the change in the All Urban
34 California Consumer Price Index between June of the
35 calendar year of benefit effective date and June of the
36 fiscal year preceding the fiscal year of distribution.

37 (c) The allowance increase shall not be applicable to
38 annuities payable from the accumulated annuity deposit
39 contributions or the accumulated tax-sheltered annuity
40 contributions.



1 (d) The benefits provided by subdivision (b) are not
2 cumulative, nor part of the base allowance, and will be
3 payable only to the extent that funds are available from
4 the Supplemental Benefit Maintenance Account and the
5 auxiliary Supplemental Benefit Maintenance Account.
6 The board shall inform each recipient of the contents of
7 this subdivision.

8 (e) The distributions authorized by this section are
9 vested only up to the amount payable as a result of the
10 annual appropriation made pursuant to Section 22954 and
11 shall not be included in the base allowance for purposes
12 of calculating the annual improvement defined by
13 Section 22140 and 22141.

14 *(f) Notwithstanding subdivision (b), for purposes of*
15 *restoring the purchasing power of benefits provided*
16 *pursuant to Section 24410.5 for members and*
17 *beneficiaries receiving benefits pursuant to subdivision*
18 *(b), the purchasing power calculation shall be based on*
19 *75 percent of the change in the All Urban California*
20 *Consumer Price Index between January 2000, and June*
21 *of the fiscal year preceding the fiscal year of distribution,*
22 *after the application of increases authorized by Section*
23 *24412 that are made to those benefits.*

24 *(g) Notwithstanding subdivision (b), for purposes of*
25 *restoring the purchasing power of benefits provided*
26 *pursuant to Section 24410.6 for members and*
27 *beneficiaries receiving benefits pursuant to subdivision*
28 *(b), the purchasing power calculation shall be based on*
29 *75 percent of the change in the All Urban California*
30 *Consumer Price Index between January 2001, and June*
31 *of the fiscal year preceding the fiscal year of distribution,*
32 *after the application of increases authorized by Section*
33 *24412 that are made to those benefits.*



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All matter omitted in this version of the bill appears in the bill as amended in the Assembly, June 14, 2000 (JR 11)

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