

Date of Hearing: June 28, 2023

ASSEMBLY COMMITTEE ON EDUCATION  
Al Muratsuchi, Chair  
SB 765 (Portantino) – As Amended June 19, 2023

**[This bill is double referred to the Assembly Public Employment and Retirement Committee and will be heard by that Committee as it relates to issues under its jurisdiction.]**

**SENATE VOTE:** 39-0

**SUBJECT:** Teachers: retired teachers: teacher preparation: student financial aid

**SUMMARY:** Exempts a retired member of the State Teachers' Retirement System (STRS) who returns to work to fill a critical need in a certificated position from postretirement compensation limits for a maximum of three years and exempts them from the 180 day waiting period after retirement; increases the maximum award amount for the Teacher Residency Grant Program to \$40,000 per teacher candidate; and annually exempts 1,000 Cal Grant awardees from demonstrating financial need if they agree to enroll in a teacher preparation program after earning their baccalaureate degree. Specifically, **this bill:**

- 1) Exempts the compensation earned by a member who retired from STRS from the postretirement compensation limitation if the member performs retired member activities for an employer, excluding a community college district, commencing July 1, 2024.
- 2) Requires an employer to submit all completed documentation required by STRS to substantiate the eligibility of the retired member for the exemption.
- 3) Prohibits a retired member from performing retired member activities until after the completed documentation has been received by STRS. The documentation shall include certification, under penalty of perjury, of the following:
  - a) The member is returning to fulfill a critical need in a certificated position. Defines certificated position to mean a position requiring certification qualifications authorized by the Commission on Teacher Credentialing (CTC), or a position requiring administrative or supervisory credentials.
  - b) The employer firstly publicly advertised the certificated position for appointment to those individuals with the necessary qualifications to perform the requirements of the position, and no one qualified accepted the appointment;
  - c) The employer, having tried and failed to hire a qualified individual, hired a retired member, and the salary offered to the retired member does not exceed the salary that was offered as first publicly advertised;
  - d) The vacancy occurred due to circumstances beyond the control of the employer;
  - e) The termination of employment of the retired member with the employer is not the basis for the need to acquire the services of the retired member; and

- f) The member did not receive additional service credit or receive from any public employer any financial inducement to retire. Defines “financial inducement to retire” to include, but not be limited to, any form of compensation or other payment that is paid directly or indirectly by a public employer to the member, even if not in cash, either before or after retirement, if the member retires for service on or before a specific date or specific range of dates established by a public employer on or before the date the inducement is offered. Requires that this be liberally interpreted to further the Legislature’s intent to make the exemption inapplicable to members if the member received a financial incentive from any public employer to retire or otherwise terminate employment with a public employer.
- 4) Requires that the period of exemption commence on the date the retired member is appointed or assigned to the certificated position and end on June 30 of that fiscal year.
- 5) Limits a retired member’s eligibility for the exemption to a maximum of three school years.
- 6) Permits retired members who are eligible for the earnings limitation exemption described above to be employed within 180 days of the date of their retirement.
- 7) Increases the maximum award amount for the Teacher Residency Grant Program to \$40,000 per teacher candidate.
- 8) Exempts, beginning with the 2024-25 award year, 1,000 Cal Grant applicants from demonstrating financial need if all of the following are met:
  - a) The applicant meets the applicable grade point average (GPA) requirement;
  - b) The applicant files a statement of intent with the California Student Aid Commission (CSAC) stating that the applicant agrees to enroll in a teacher preparation program that is approved by the CTC upon completion of the applicant’s baccalaureate degree; and
  - c) The applicant agrees to repay the state the total amount of Cal Grant awards received if the applicant fails to enroll in a teacher preparation program that is approved by the CTC within one academic year of completing the applicant’s baccalaureate degree.

**EXISTING LAW:**

- 1) Prohibits a retired person from being employed for a period of 180 days following the date of retirement, unless the employer certifies the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days have passed and the appointment has been approved by the governing body of the employer in a public meeting. (Government Code (GOV) 7522.56)
- 2) Limits the per-school year cash compensation to a retired member for performance of retired member activities, excluding specified reimbursements to one-half of the median final compensation of all members who retired for service during the fiscal year ending in the previous calendar year. Requires a superintendent or a county superintendent of schools to submit all documentation required by the STRS to substantiate the eligibility of a retired member for applying the cash compensation. (Education Code (EC) 24214, 24214.5)

- 3) Establishes the Teacher Residency Grant Program, funded until June 30, 2026, to provide funding to programs that partner with one or more teacher preparation programs accredited by the CTC, in which a prospective teacher teaches at least one-half time alongside a teacher of record, who is designated as the experienced mentor teacher, for at least one full school year while engaging in initial preparation coursework. Requires grants allocated to be up to \$25,000 per teacher candidate in the residency program of the jurisdiction of the grant recipient, matched by that grant recipient on a dollar-for-dollar basis. Grant program funding shall be used for, but is not limited to, any of the following: teacher preparation costs, stipends for mentor teachers, stipends for teacher candidates, and mentoring and beginning teacher induction costs following initial preparation. (EC 44415.5)
- 4) Establishes the Cal Grant program, administered by the California Student Aid Commission (CSAC), to provide grants to financially needy students to attend a college or university. The Cal Grant programs include both the entitlement and the competitive Cal Grant awards. Supplemental award programs have been created for students with one or more dependent children and former and current foster youth to assist with non-tuition costs. The program consists of the Cal Grant A, Cal Grant B, and Cal Grant C programs, and eligibility is based upon financial need, GPA, California residency and other criteria. Maximum award amounts for California State University (CSU) and University of California (UC) are established in the annual Budget Act and have traditionally covered all systemwide tuition and fees. (EC 69430 – 69433, 69465, 69470, 6945.5)

**FISCAL EFFECT:** According to the Senate Appropriations Committee:

- The California Student Aid Commission (CSAC) estimates that the ongoing cost for exempting 1,000 Cal Grant awardees from demonstrating financial need would range from \$1.6 million to up to \$14.2 million. These totals represent the amounts that would no longer be available for students with demonstrated financial need. While the bill does not specify which Cal Grant program it would apply to, the Commission indicates that given the focus on Bachelors of Arts holders and teaching credentials, it is likely that the cost would come in at the higher end of range to reflect students attending the CSU and private institutions.
- The CSAC also estimates ongoing General Fund costs of approximately \$386,000 and 3.0 positions for additional workload which includes the development of regulations and tracking the 1,000 students who would be exempt from the financial need element.
- The Commission on Teacher Credentialing (CTC) estimates that increasing the teacher residency grants to \$40,000 would reduce the remaining amount available for the program by \$44.3 million. This estimate assumes that the bill would apply to future grantees, not existing recipients. Further, school districts would incur additional local costs since grant recipients would need to match the higher amounts at a rate of 80 percent.
- By exempting retired teachers that return to work from postretirement compensation limits, this bill could potentially have long-term implications on CalSTRS volatility towards paying benefits. Specifically, it could lead to an undetermined increase in the state's share of costs and school district pension fund contributions.

**COMMENTS:**

***Need for the bill.*** According to the author, “California is facing a devastating teacher shortage, exacerbated by the COVID-19 pandemic and the Great Resignation. The California Commission on Teacher Credentialing (CTC) reports over 10,000 teacher vacancies across California during the 2021–22 school year. CalSTRS reports that teacher retirements increased by 26 percent in 2020. There are not enough individuals entering the teaching profession to counteract the number of teachers leaving the workforce.

Additionally, teacher demand is increasing. According to the Learning Policy Institute, in order to ensure a successful Transitional Kindergarten (TK) rollout, between 11,900 and 15,600 additional lead teachers, and between 16,000 and 19,700 assistant transitional kindergarten teachers are needed by 2025–26. This legislation will help bolster the California teacher pipeline.”

***Recently-expired executive orders addressed staffing shortages.*** On January 11, 2022, Governor Gavin Newsom released Executive Order N-3-22 to provide temporary administrative and staffing flexibilities to assist schools in maintaining operations with qualified staff and keep students in learning environments with strong COVID-19 safety measures.

The Executive Order authorized local education agencies (LEAs) that made a written finding, signed by the LEA’s superintendent or designee and retained for public access upon request, to use the following flexibilities through March 31, 2022:

- Allow LEAs to issue 30-day emergency substitute credentials without regard to whether the recipient has a pending credential or permit application, provided candidates have an undergraduate degree from a regionally accredited college or university and pass a criminal background check;
- Lengthen the duration for which substitute teachers can be assigned to a single general education assignment from the current maximum of 60 days to the new limit of 120 days;
- Permit student teachers to serve as teachers without the requirement that the student teacher be under the direct supervision of a certificated teacher in a classroom for purposes of calculating a school district’s average daily attendance for apportionment for each day, or portion of a day; and
- Continue existing financial incentives for retiree teachers. These incentives include suspension of certain post-retirement compensation limitations and suspension of the required 180-day service break — a suspension that applies to classified employees as well.

***Effect of the suspension of the earnings limitation for retirees.*** According to CalSTRS data provided by the bill’s sponsors, in the 2021-22 fiscal year there were 587 members who exceeded the annual postretirement earnings limit and were exempted under the Executive Orders.

As shown in the table below, the number of retirees working after retirement declined during the COVID -19 pandemic, and as of the 2021-22 fiscal year had not returned to pre-pandemic levels.

The percentage of retired members working after retirement who exceeded the earnings limit was 3.12% in 2021-22.

There were 363 retired members who were exempted from the separation-from-service (180 day) requirement. Of those, 209 submitted applications through the existing process in statute, and 154 were exempted under the Executive Orders.

Fiscal year	Number of retired members working after retirement	Percent of retired members working after retirement exceeding the earnings limit
2018-19	24,514	1.27%
2019-20	23,104	1.29%
2020-21	14,010	1.69%
2021-22	18,790	3.12%

***Most recent data shows teacher shortage worsening again, with credential issuance down 16% from 2020.*** The most recent data available from the CTC on the issuance of teaching credentials show that, after several years of increases, credential issuance declined by over 16% between 2020-21 and 2021-22.

The decline in the issuance of multiple subject (elementary) credentials was particularly steep, with over 25% less credentials issued, and bringing issuance below pre-pandemic levels. Education specialist (special education) issuance was down over 10%. These declines, shown by major credential type, are shown in the table below.

Total New Teaching Credentials Issued by Type	2017-18	2018-19	2019-20	2020-21	2021-22	Percent Change from 2020-21 to 2021-22
Multiple Subject	7,087	7,116	7,785	8,929	6,689	-25.1%
Single Subject	6,227	6,623	6,508	6,653	6,159	-7.4%
Education Specialist	3,237	3,282	3,698	4,077	3,643	-10.6%
Total	16,551	17,021	17,991	19,659	16,491	-16.1%

Source: CTC, Teacher Supply Report, 2023

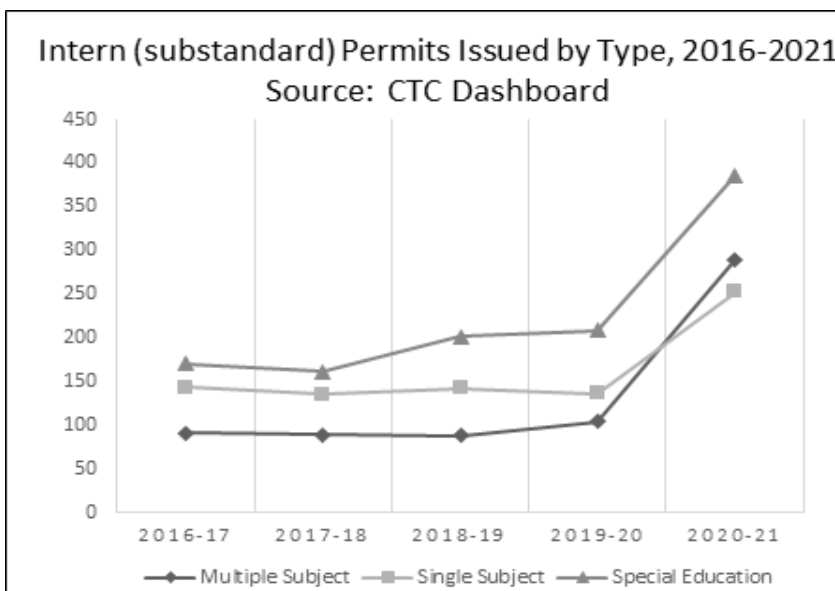
***Administrative credential issuance returns to pre-pandemic levels; waivers also increase.***

According to the CTC, the number of administrative credentials issued in 2021-22 increased by 20% between 2020-21 and 2021-22. There was a 36% increase in issuance of certificates of eligibility (issued to candidates who have met all requirements but do not yet have an offer of employment), and 63% in issuance of preliminary credentialed (issued to candidates who have secured an offer of employment).

There was a significant increase in administrative intern credentials (135%), bringing the number back to pre-pandemic levels. While small in number, there was a significant increase in the

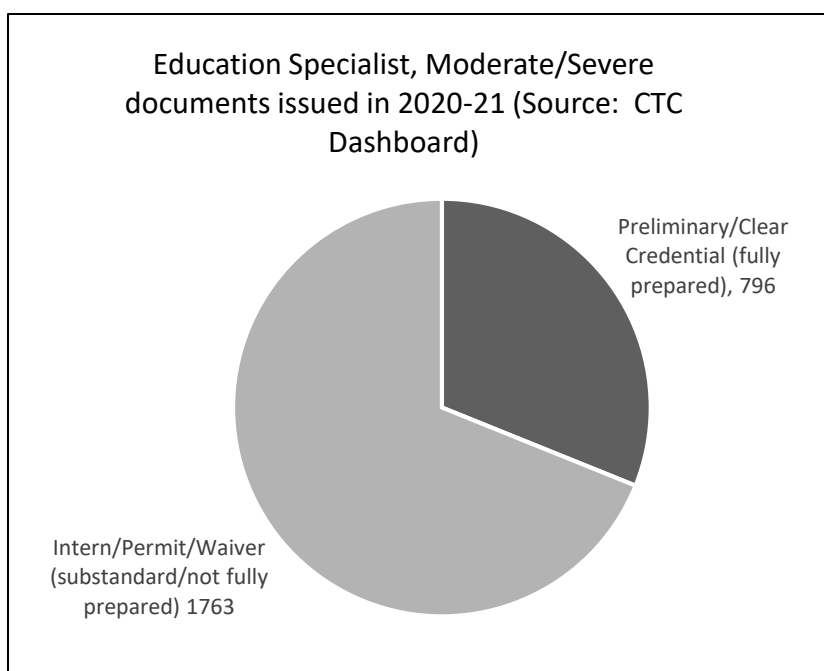
issuance of administrative services waivers (from 36 in 2020-21 to 63 in 2021-22), which are issued as the final option when a school district cannot find a fully credentialed individual to fill an administrative position.

**Teacher shortage worsened by COVID-19 pandemic.** In the years following the Great Recession, California experienced a dramatic teacher shortage. According to the Learning Policy Institute (LPI), the number of substandard credentials and permits issued in California nearly tripled from 2012–13 to 2019–20, numbering more than 13,000 annually. Enrollment in teacher preparation programs had begun to increase modestly in the years immediately preceding the COVID-19 pandemic.



The pandemic, however, has significantly exacerbated the teacher shortage. Most districts have found teachers to be in short supply, especially for math, science, special education, and bilingual education, and are filling hiring needs with teachers on substandard credentials and permits. The shortages are particularly extreme in special education. As shown in the table below, over 2/3 of new documents issued to teachers serving students with moderate to severe support needs were not fully prepared. There are several factors contributing to the current shortage:

- *New positions from federal and state funding.* According to the LPI, a further contributing factor was the creation of additional positions enabled by federal recovery funds. These funds were appropriated to address needs associated with the pandemic, but they had to be used at least in part to support learning recovery, which in turn increased staffing needs. LPI cited as an example the Los Angeles Unified School District, which used these funds to offer 4x4 block schedules for the 2021–22 school year, a model which requires about 25% more teachers than the traditional 6-period schedule. Other districts



used funds to create intervention positions which then needed to be filled by qualified staff. The expansion of TK in upcoming years will also increase the demand for credentialed teachers.

- *Enrollment in teacher preparation.* According to the American Association of Colleges of Teacher Education, in both fall 2020 and 2021, the majority of educator preparation programs reported the pandemic had either no impact or a minimal impact on enrollment (defined as a decline of less than 10%). However, for a sizable minority of institutions, COVID-19 had a significant effect on undergraduate enrollment in educator preparation programs. In both fall 2020 and fall 2021, 20% of institutions reported that the pandemic resulted in a decline in new undergraduate enrollment of 11% or more. The impact on graduate student enrollment is somewhat less dramatic, with 13% of respondents reporting significant declines in the number of new graduate students due to the pandemic.
- *Staffing crisis fueling attrition.* While it is unclear how widespread and temporary this factor may be, there is suggestion that in some areas with severe shortages, staff shortages are becoming a cause of staff shortages in and of themselves. As noted in the NEA survey of reasons for teacher resignations, 80% of respondents reported “unfilled job openings leading to more work for remaining staff” as a serious problem. The shortage of substitute teachers presents a particular workload challenge to current teachers.
- *Growing retirements and resignations.* In a 2022 report of survey data from large and small school districts serving a total of 20% of California students, the LPI found that the pandemic caused an increase in teacher resignations. In one large district, resignations increased by about two-thirds, and leaves of absence increased by about 50%. This is consistent with a nationally representative survey of 3,600 teachers published by the National Education Association (NEA) in 2022, which found that, among school employees (including classified employees), 55% of educators were considering leaving the profession earlier than they had planned, an increase from 37% from 2021, with higher rates for African American and Latino employees. 86% of respondents said that they have seen more educators leaving the profession or retiring early since the start of the pandemic in 2020. Among the most commonly cited reasons for leaving the profession or retiring early were burnout and general stress from the pandemic.

***Teacher residency grant program.*** This bill would increase the maximum award amount for the Teacher Residency Grant Program from \$25,000 to \$40,000 per teacher candidate. A teacher residency program is defined as an LEA-based partnership between an LEA and an institution of higher education (IHE) with a CTC-approved preliminary teacher preparation program, and in which a prospective teacher teaches at least half time alongside a teacher of record, who is designated as the experienced mentor teacher, for at least one full school year while engaging in initial preparation coursework. Grantees may receive up to \$25,000 per participating teacher resident each year.

The Teacher Residency Grant Programs were initially authorized in the 2018-19 Budget Act to support the development, implementation, and expansion of teacher residency programs, with a total of \$75 million for competitive grants. The 2021-22 Budget Act provided \$350 million through the 2025-26 fiscal year for Teacher Residency Programs. Of the \$350 million, \$25 million is set aside for Teacher Residency Capacity Grants. Grant awards may be up to \$250,000 for eligible LEAs, which is an increase of \$200,000 per grant award from the 2018-19 fiscal

year. Teacher Residency Capacity Grants are intended to support a collaborative partnership between eligible LEAs with one or more CTC-approved teacher preparation programs offered by a regionally accredited IHE to expand, strengthen, improve access to, or create a teacher residency program. The remaining \$325 million is set aside for Teacher Residency Expansion and/or Implementation grants.

According to the Assembly Budget Committee, for Year One of the Teacher Residency Grant Programs, LEAs reported a total of 309 teacher residents in the thirty-one programs that began a Teacher Residency Program between July 2019 and June 2020.

In spring of 2021, WestEd collected data through the formative evaluation of the grant program in order to help understand the extent to which grantee programs were building toward financial sustainability within the context of their one-time funding sources. This evaluation found that grantee programs have made progress towards key outcomes in the following ways:

- Residencies are supporting the development of a more diverse teaching workforce;
- Residents intend to stay and teach in their residency LEAs;
- Residents, mentor teachers, and partnership team members value their residency programs; and
- Residents and mentor teachers highlight the importance of residencies' rich yearlong clinical experience.

The evaluation also noted that the upfront resources to design and launch residency partnerships and provide early cohorts of residents with adequate financial support can be substantial. The following challenges were identified:

- The majority of residents report experiencing financial hardships during their residency year, and residents of color are disproportionately impacted;
- Most residency programs are offering district-based employment opportunities to residents (such as having them serve as substitute teachers, paraprofessionals, or tutors), but fewer than half of residents are participating in these opportunities;
- Most programs are not yet broadening their funding sources and strategies to enable financial sustainability beyond the grant program; and
- Many programs could strengthen their partnerships with partner LEAs and build their internal capacity to support sustainability.

***Cal Grant Program eligibility.*** The following comments were provided by the Assembly Higher Education Committee;

Existing law establishes the Cal Grant program, administered by the CSAC, to provide grants to financially needy students to attend a college or university. The Cal Grant programs include both the entitlement and the competitive Cal Grant awards. Supplemental award programs have been created for students with one or more dependent children and former and current foster youth to assist with non-tuition costs. The program consists of the Cal Grant A, Cal Grant B, and Cal



Grant C programs, and eligibility is based upon financial need, grade point average (GPA), California residency and other criteria. Maximum award amounts for the CSU and the UC are established in the annual Budget Act and have traditionally covered all systemwide tuition and fees (EC 69430 – 69433, 69465, 69470, 6945.5).

To qualify for Cal Grants, students must meet certain income and asset criteria. These criteria vary by family size and are adjusted annually for inflation. For example, in the 2022-23 award year, a dependent student from a family of four must have an annual household income of under \$116,800 to qualify for Cal Grant A or C, and under \$61,400 to qualify for Cal Grant B. In most cases, students must also meet a GPA requirement. The specific GPA requirement varies by award type. Most award types require a minimum high school GPA of 2.0 or 3.0 or a minimum community college GPA of 2.0 or 2.4.

The 2022 Budget Act included the Cal Grant Reform Act (Act) subject to state General Fund availability over the multi-year forecasts beginning in fiscal year 2024-25. The Act would be triggered in 2024-25 if the state determines in Spring 2024 that sufficient General Fund is available to support these actions over a multiyear period. If “triggered on” the budget agreement will provide \$364.8 million General Fund in 2024-25, \$348.8 million in 2025-26 and ongoing for this reform. The Act will restructure the Cal Grant program. Specifically, it would replace the existing award structure with a Cal Grant 2 award that provides nontuition coverage to California Community College (CCC) students and a Cal Grant 4 award that provides tuition coverage at all other segments.

The eligibility requirements of the new program would differ in several ways from those of the current program. First, the current Cal Grant program has its own income and asset ceilings, the new program would have the same income ceilings as the federal Pell Grant program. Because of the change, the new income ceilings generally would be lower than the current ones. Second, the current program provides only a limited number of awards to older students attending universities; the new program would have no age or time-out-of-high-school restrictions at any segment. Third, the current program requires students to have a minimum GPA, the new program will not have a GPA requirement for CCC students. These program changes are projected to lead to a net increase of 150,000 award offers in 2024-25, at an estimated additional net cost of \$365 million. The Act also expresses legislative intent that UC and CSU use institutional aid to cover non-tuition costs for its students.

This bill proposes another eligibility change to the Cal Grant Program—exempting 1,000 Cal Grant applicants from demonstrating financial need if the applicant files a statement of intent with the CSAC stating that the applicant agrees to enroll in an approved teacher preparation program after completing their baccalaureate degree.

This has the potential to set a bad precedent. It is problematic to waive the financial need requirement for 1000 Cal Grant recipients, as other workforce entities that have employee “shortages” may then seek to waive the financial need requirement for the Cal Grant in order to “bolster” student participation and subsequent hiring into the shortage field.

Based on the aforementioned and the fact that the Cal Grant Reform Act is awaiting implementation, it appears that this measure is premature in making further changes to the Cal Grant. Further, it is unclear how exempting 1,000 Cal Grant applicants from demonstrating financial need will directly increase the teacher pipeline.

***Recommended Committee amendments. Staff recommends that this bill be amended to:***

- 1) Limit the earnings limitation exemption to retirees returning to fill teaching positions requiring certification (this amendment would exclude positions requiring administrative or supervisory credentials from eligibility); and
- 2) Delete the provisions of the bill pertaining to the Cal Grant program.

***Arguments in support.*** The California School Boards Association writes, “SB 765 is a temporary and modest measure to provide immediate assistance to local educational agencies (LEAs) in addressing critical educational staffing shortages across the state.

It is not unknown that California’s public education system was, prior to the pandemic experiencing a severe educational workforce shortage, especially in regards to the recruitment and retention of teachers. With the onset of the COVID-19 pandemic in early 2020 the state’s teacher shortage has been vastly exacerbated, in large part due to greater proportions of teachers choosing to leave the profession.

In 2020, the California State Teacher’s Retirement System CalSTRS reported that teacher retirements increased by 26 percent (3,202). CalSTRS projected that in 2021 about 16,000 teachers would retire, leaving less educators for our children. The 16,000 retirements would account for 5 percent of the 320,000 teachers in the State. As LEAs continue to try and find new ways to recruit and retain talented and essential school staff, SB 765 would provide an additional and much needed tool local educational agencies (LEAs) can use to help address our state’s school staffing shortages. Additionally, retired teachers and other staff are some of the best-equipped candidates to hit the ground running and provide the best instruction and services to our students.

CSBA has long supported efforts to provide multiple pathways for LEAs to address the state’s teacher shortages and bringing retired teachers back into the classroom. We greatly appreciate the major investments the state has made to significantly expand teacher recruitment and retention programs, including the Golden State Teacher Grant Program, however those programs are medium and long-term investments were we may not see new teachers enter the classroom for another two to three years. This is a tool that provides immediate relief, and although a temporary solution, it is a critical tool available for our schools to help ensure that all students have a qualified teacher in their classrooms.

CSBA remains committed to ensuring that the sufficiency and resiliency of CalSTRS pension fund is maintained. To this end, it has long advocated for increased support by the state to support LEAs local pension obligations and has historically opposed efforts that would significantly impair the ability of CalSTRS to meet its retirement obligations, including legislative efforts to divest from certain investments that could prove deleterious to the long-term solvency of the retirement fund.

However, the state is facing an educational staffing shortage that has reached unprecedented crisis levels due to the pandemic. As such, CSBA believes strongly that a legislative effort is needed to provide a streamlined process for retired educational staff to return to schools to help address our staffing shortage. Current circumstances require immediate and proven tools to help ensure that our public school system is able to provide each and every classroom with a qualified teacher. SB 765 is one of those tools.”

**Arguments in opposition.** California Teachers Association states, “The annual postretirement earnings limit exemption provided by SB 765 raises the following issues:

- **Fuel for pension critics:** This exemption erodes protections against double dipping—members receiving their full pension benefit as well as a full working salary—which were a key focus of the Public Employees’ Pension Reform Act of 2013. Any such plan design vulnerabilities could raise reputational risks for CalSTRS by attracting the attention of pension critics and emboldening those pushing for broader pension reform.
- **Pension funding:** CalSTRS does not receive contributions for members who work after retirement. If retired members supplant active members and their associated contributions, the exemption could amplify impacts to CalSTRS’ funded status. In addition, SB 765 could increase benefit liabilities to the extent it encourages CalSTRS members to retire earlier than originally planned with the intent of returning to work under the exemption. This policy path could be expanded in subsequent legislation, potentially affecting long-term funding if there is a reduction in the number of new members paying into the system.
- **Abuse:** The exemption could be used inappropriately by employers as a cost-saving measure in order to forgo payments for retirement, health care and other benefits. While this may be of short-term value to employers, over-utilization of this exemption could counteract efforts to attract and hire new teachers. Other loopholes established may create additional instances of abuse.

To address these issues, some guardrails to ensure this exemption is used appropriately and in line with the bill’s intended purpose of addressing the teacher shortage include:

- **Limiting use of this exemption solely to those returning to fulfill a critical need in a non-managerial certificated position.** This bill defines “certificated position” to mean a position requiring certification qualifications authorized by the Commission on Teacher Credentialing or a position requiring administrative or supervisory credentials and allows retirees to go back to work into a certificated position earning both salary and retirement benefits. This policy path needs to more surgically address the shortage of workers who are choosing to become teachers and could allow high paid administrators to leverage relationships with decision makers to receive excessive compensation.
- **Requiring employers to receive approval recognizing the demonstrable need for the exemption from the exclusive representative of members who would normally hold such a role.** Union sign-off on employer participation in a program to remove the annual earnings cap validates that the employer made every effort to fill vacant positions, provides a significant safeguard against abusing compensation rules, and prevents employers from stopping current employees from transferring into desirable vacant positions.”

**Related legislation.** AB 1877 (Fong) of the 2021-2022 Session would have exempted retired teachers who return to the classroom to teach from the postretirement compensation limit, among other provisions. This bill was held in the Assembly Public Employment and Retirement Committee.

AB 1733 (Wildman) Chapter 896, Statutes of 2000, eliminated, until January 1, 2008, the postretirement earnings limitation for retired STRS members who returned to work after

retirement and who, for one year, had not performed any creditable service, as specified, and increased the earnings limitation for other retired members.

AB 1736 (Ducheny) Chapter 351, Statutes of 2000 Session exempted earnings paid to a member who retired from service on or before July 1, 2000, and who was employed by a school district to provide direct remedial instruction to pupils in grades 2 to 12, from the earnings limitation, provided other specified conditions were met.

SB 1797 (Alpert) of the 1999-2000 Session would have exempted earnings paid to a member who retired from service on or before July 1, 2000, and who was employed by a school district to provide direct remedial instruction to pupils in grades 2 to 12, from the earnings limitation, provided other specified conditions were met. This bill was held in the Senate Public Employment and Retirement Committee.

AB 141 (Knox) Chapter 22, Statutes of 2000, extended the existing half-year earnings limitation exemption for retired school administrators who returned to service to fill a vacancy.

SB 1505 (Burton) Chapter 1026, Statutes of 2000, initially would have exempted retired STRS members from the earnings limitation, provided they retired prior to January 1, 2000 and returned to provide direct classroom instruction or to support specified programs. It was later amended to expand eligibility for the minimum guaranteed allowance paid to retired members, and enacted in that form.

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

Alameda County Office of Education  
Association of California School Administrators  
California Association of School Business Officials  
California Association of Suburban School Districts  
California Charter Schools Association  
California Charter Schools Association  
California School Boards Association  
Central Valley Education Coalition  
Long Beach Unified School District  
Los Angeles Unified School District  
Orange County Department of Education  
Riverside County Office of Education  
San Diego Unified School District  
School Employers Association of California  
State Superintendent of Public Instruction Tony Thurmond

##### **Opposition**

California Teachers Association

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