



October 22, 2013

ALERT TO THE FIELD! STRS Reclassifies "Educational Administrator" - Are **YOU** Vulnerable?

Background:

Last April, community colleges were notified by the State Chancellor's Office of a decision by CalSTRS following their audit of City College of San Francisco (CCSF.) Relative to what they discovered in the course of that audit, CalSTRS determined that they ***will not allow persons in positions such as Director of Human Resources; Chief Financial Officer; Chief Information Technology Officer; Director of Payroll, Director of Building, Grounds, and Maintenance; or Police Chief to be enrolled in STRS.***

As with many districts, CCSF had designated these positions as Educational Administrators, however CalSTRS determined that these administrators are not performing "creditable service" as that term is defined in the Education Code. As a result, CalSTRS took action to terminate employment benefits for current and retired employees of CCSF that it determined should not have been enrolled.

This action included the removal of specified employees and retirees from the system, a demand for collection of all "overpayments" from each member, former member, or beneficiaries, and an adjustment of creditable compensation.

What's next?

What ACCCA wants you to be clear on is:

- *This issue is not unique to CCSF.*
- *The issue will not be fully resolved in CCSF's litigation.*
- *There is a potential risk to all districts.*
- *Possible solutions to this issue are being pursued by ACCCA and others.*

This issue is NOT Unique to CCSF:

CalSTRS has stated that it does not believe persons in many positions which are commonly designated as educational administrators are performing creditable service, and that they would be at risk for similar exclusion from the retirement system. These include: ***Legal Counsel, Vice Chancellor Research and Policy, Director of Administrative Services, Vice Chancellor Governmental Relations, and others.***

CCSF's Litigation Won't Resolve the Issue:

It appears that almost any administrative position in Administrative Services or Human

Resources which is designated as an educational administrator or as a certificated administrator would be at risk. STRS has begun to act on these determinations at other districts. A survey by ACHRO has preliminarily shown that there are many positions around the state at risk--as many as two or three per college. CCSF has administratively appealed this action and the affected retirees have sued CalSTRS. However, the administrative hearing only results in a recommendation to the CalSTRS board, and the Board is likely to support its staff and has given no indication of changing its position.

There is a potential risk to all districts:

California law requires that permanent full time public employees be provided with a pension. If CalSTRS expels persons from positions previously identified by a governing board as STRS eligible, ***the District itself will need to arrange for transfer to PERS*** or to some other pension system. This can potentially result in significant costs and/or liability to Districts.

ACCCA and its affiliate organizations are working together to address possible solutions, including legislation, to avoid this outcome. Your participation and that of your district in this effort will be critical in showing the Legislature, the Chancellor's Office and CalSTRS that this is a serious issue deserving of reform.

How YOU Can Help:

Unless this is otherwise resolved, we will soon be contacting you to ask for your help in this effort. Your assistance and suggestions will be needed as we build a diverse coalition to confront this issue directly. From establishing a fund for legislative action to getting the word out to your colleagues statewide and contacting your legislators, your involvement will make the difference!

Stand by for further updates and information from ACCCA, and please respond if you are contacted for assistance. If you have questions, feel free to contact the ACCCA office and we'll direct you to the appropriate resource!

Supporting Documents:

The following is the CalSTRS circular dated August 29 which informed districts of the clarification of non-credible positions. Along with the 8-29 circular, is a point-by-point table of who is impacted and why for your review and to share with your colleagues.

[*CalSTRS 8-29 Circular*](#)

[*Key Questions*](#)

[*STRS Coalition Meeting Record*](#)

[*CalSTRS Presents a Solution!*](#)