

ASSEMBLY THIRD READING
AB 2519 (McKinnor)
As Amended April 20, 2026
Majority vote

SUMMARY

Corrects an unintended consequence following enactment of Chapter 690, Statutes of 2024 (Assembly Bill 1997, McKinnor) that, among other things, defined "position subject to membership" where some positions at charter schools that were previously eligible for membership in the California State Teachers' Retirement System (CalSTRS) were excluded under that definition.

Major Provisions

- 1) Expands, by including permitholders within, and clarifies the definition of, "position subject to membership" by adding provisions to existing law to include positions in charter schools as follows:
 - a) A position at a charter school eligible to receive state apportionment that is performing, directing, coordinating, supervising, or administering one or more functions listed in existing law, as specified, and is either of the following:
 - i) A position for which the charter school requires the holding of a valid credential, license, permit, or certificate authorized by the Commission on Teacher Credentialing (CTC) or the State Department of Health Care Services (DHCS) for the position.
 - ii) A position that, if it were at a county office of education or school district, not including a charter school, would require the holding of a valid credential, license, permit, or certificate authorized by the CTC or DHCS.
 - b) Requires, in a resolution adopted at a public meeting, the governing body of the charter school eligible to receive state apportionment to designate each position, as specified, that is a position subject to membership and to identify either one of the following:
 - i) The function or functions listed in existing law, as specified, that the position is performing.
 - ii) The function or functions listed in existing law, as specified, that the position is directing, coordinating, supervising, or administering.
 - c) Requires the resolution adopted by the governing body of the charter school to be in effect on the date of hire in the position or be retroactively effective to include the position as of the date of hire, whichever is later, but no earlier than the operative date of this section, as provided.
- 2) Maintains the operative date of the definition of "position subject to membership" as July 1, 2027.

COMMENTS

On a number of occasions over the years, payroll information reported to CalSTRS by various education employers was later determined by the system to be incorrect for purposes of calculating a retirement allowance. This often resulted in a required reduction to the retirement allowance of retirees due to retirement allowance overpayments based on that information – even though the employee who subsequently retired was not responsible for submitting that information to the system. This matter was addressed by Chapter 754, Statutes of 2022 (Assembly Bill 1667, Cooper), followed by Chapter 708, Statutes of 2023 (Senate Bill 327, Laird).

Following years of what some may refer to as "analysis paralysis" where CalSTRS performed substantially tedious and complex reviews and determinations of creditable service for purposes of calculating a retirement allowance based on payroll information submitted to the system by employers, Assembly Bill 1997, *ibid.*, was intended to be a final measure following those two statutes to resolve administrative complexity for employers and the system that also benefitted CalSTRS members and retirees.

While intending to resolve administrative complexity to simplify those matters, that bill had an unintended effect of excluding certain positions, *i.e.*, administrators, at some charter schools from being able to continue participation in CalSTRS under that bill's definition of "position subject to membership" where those positions previously were not excluded prior to the enactment of that statute.

It is noted that the bill did not remove or take away the pension or vested pension rights of affected individuals in those positions, but could affect their ability to continue earning service credit for purposes of retirement while employed in those positions. It is further noted that some charter school administrator positions may not require the holding of a CTC credential *etc.*, even though comparable positions at non-charter schools might be subject to those requirements. However, that requirement did not exist prior to the enactment of that bill, and CTC credentialing requirements is extraneous to the underlying premise and purpose of this bill.

According to the Author

"This bill simply corrects an unintended effect of my bill – AB 1997 from 2024. The ability of some positions at some charter schools that were previously included in the system, but were excluded while we focused on simplifying complexity for employers, CalSTRS, and its members and retirees, is something that we must correct for fairness purposes so that people in those positions can continue to earn service credit towards their retirement in the future."

Arguments in Support

Numerous supporters state, "[as] enacted, [Assembly Bill 1997, 2024] revised the criteria for participation in the CalSTRS system by shifting from a "creditable service" standard to a "position subject to membership" framework. While intended to streamline eligibility determinations, this change has had unintended consequences for charter public schools due to differences in how administrative roles are structured and classified. Absent a legislative fix, many charter school administrators who have historically participated in CalSTRS, and who continue to perform comparable duties to their traditional public school counterparts, will lose eligibility beginning July 1, 2027. This creates a clear inconsistency in retirement access between employees performing similar work in different public school settings. In addition, the change disrupts long-standing career pathways for educators. Charter school teachers, who

previously could advance into leadership positions without sacrificing their retirement benefits, will now face a difficult choice between professional advancement and maintaining CalSTRS membership. This risks discouraging leadership development and complicating recruitment and retention efforts across the charter public school sector. [This bill] addresses this issue by ensuring continuity of eligibility for charter school employees who would otherwise be excluded under the revised framework. By doing so, the bill restores parity, preserves reasonable expectations for current members, and supports a stable and effective educator workforce."

Arguments in Opposition

None.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations, this bill would result in no new state costs.

VOTES**ASM PUBLIC EMPLOYMENT AND RETIREMENT: 7-0-0**

YES: McKinnor, Lackey, Alanis, Boerner, Garcia, Nguyen, Michelle Rodriguez

ASM APPROPRIATIONS: 14-0-1

YES: Wicks, Hoover, Aguiar-Curry, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

ABS, ABST OR NV: Arambula

UPDATED

VERSION: April 20, 2026

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