
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2519 (McKinnor) - State Teachers' Retirement System: positions subject to membership

Version: April 20, 2026

Urgency: No

Hearing Date: June 22, 2026

Policy Vote: L., P.E. & R. 5 - 0

Mandate: No

Consultant: Robert Ingenito

Bill Summary: AB 2519 would make a technical correction to preserve specified public charter school positions' membership in the California State Teachers' Retirement System (CalSTRS) that legislation enacted in 2024 inadvertently eliminated.

Fiscal Impact: This bill would result in increased membership in CalSTRS compared to current law, resulting in higher state contributions. The magnitude is unknown, but potentially significant (General Fund, see Staff Comments).

Background: For purposes of retirement benefits for certificated school employees, current law establishes CalSTRS to provide a financially sound retirement program for public school teachers and other eligible school employees. CalSTRS administers several retirement benefit programs, including a defined benefit retirement plan, a defined benefit supplement program, and a cash balance benefit plan for certain part-time and temporary employees. Existing law establishes eligibility for CalSTRS membership based on the performance of "creditable service," which is currently defined as specified educational and student-support activities. However, with the enactment of AB 1997 (McKinnor, 2024), this definition is scheduled to become inoperative on a date determined by CalSTRS, but no later than July 1, 2027. At that time, eligibility for CalSTRS membership will instead be based on service performed in a "position subject to membership," a newly established standard that includes specified educational and education-related positions serving K–14 students, including certain credentialed positions at charter schools that receive state apportionment funding. This transition is intended to modernize and clarify membership eligibility criteria while maintaining retirement coverage for qualifying school employees.

While intended to streamline eligibility determinations, the change brought by AB 1997 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.

Proposed Law: This bill would do the following:

- Clarify that "position subject to membership" for purposes of CalSTRS' eligibility includes 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 Section 44065 and is either of the following:

- 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 or the State Department of Health Care Services for the position.
- 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 Commission on Teacher Credentialing or the State Department of Health Care Services.
- Require an eligible charter school to designate, as specified, each position that is a position subject to membership and to identify either the function or functions that the position is performing which require a teaching credential or that the position is directing, coordinating, supervising, or administering.
- Require the charter school's resolution to be in effect on the date of hire in the position or be effective retroactively to include the position as of the date of hire, whichever is later, but no earlier than July 1, 2027, as specified.

Related Legislation: AB 1997 (McKinnor, Chapter 690, Statutes of 2024) amended key provisions of the Teachers' Retirement Law (TRL) related to creditable compensation, creditable service, and the reporting of compensation, effective upon a date determined by CalSTRS, no later than July 1, 2027.

Staff Comments: As noted above, AB 1997, in amending key provisions of the Teachers' Retirement Law related to creditable compensation, creditable service, and the reporting of compensation, inadvertently left certain charter school staff ineligible for participation in CalSTRS beginning July 1, 2027. This bill would allow for continued eligibility for affected charter school employees. Because CalSTRS programs are funded, in part, by contributions from the State, the result would be increased state support over what would occur until current law.

Under the CalSTRS Funding Plan, the state contribution rate for 2027-28 (the first year that this bill would take effect) is likely to be in the range of 4 percent to 11 percent of compensation. Thus, as an order of magnitude and assuming an average annual compensation of \$100,000, the annual increase in state support for every 100 charter school employees whose eligibility is restored under the bill could reach \$1.1 million.

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