



FACCC Retirement Committee
May 22, 2020 at 11:00 am
Conference Call

Attending: Peter Morse, Meredith Heiser, Adam Wetsman, Morrie Barembaum, Deborah Dahl Shanks, Jaqueline Simon, Dennis Frisch, Dennis Smith, Jeanne Dunphy, and Richard Hansen

CalSTRS: Joycelyn Martinez

Absent: Phyllis Hall and Geoff Hagopian

Staff: Stephanie Goldman

Agenda:

1. State Budget Discussion with CalSTRS – Presented by Joycelyn Martinez
 - a. On the Employer Side
 - i. Supplemental payments which were going to be used for long term payments will now be used for short term payments.
 - ii. The rate with the employer rates will now be 16.55%, quite a bit lower. They're supplanting it so employers can have more leeway with payments.
 - iii. In 2021-22, the CalSTRS board will have the authority to set the rate. The rate was set to go down to 18.2%, and with the supplanting payment it's anticipated to be at 16.2%.
 - iv. The state is covering the difference between the 16% and 19%. Originally, the intent behind the state buy down was for long term savings, but now it will be used to help employers in the short term.
 - v. With these savings employers will still have the ability to pay their required contributions by 2046.
 - vi. The 2% at 60 rate for members is not changing. For the 2% at 62 members there may be a shift, but as of right now there is no change.
 - vii. Employer rates are generally protected by the state. State is much more impacted by the market volatility. It's meant to help employers plan their budgets
 - viii. Right now CalSTRS investment returns for the year look to be flat.
 - b. On the State Side

- i. The CalSTRS board's authority is being frozen, so this year's fiscal contribution would remain the same. This is funded by the general fund.
 - c. Other budgets
 - i. CalSTRS had a BCP requesting more hiring, but they are not pursuing that any more.
 - ii. Pension Solution Project – Administration System- \$53 million to more complete that project and it is going forward. Senate voted to approve the BCP.
- 2. Retirement Legislation – Joycelyn Martinez
 - a. CalSTRS Housekeeping bill is not moving forward
 - b. Assembly investment procurement bill is not moving forward
 - c. AB 2219 (O'Donnell) - IRA bill is going to Assembly Appropriations on 6/5/20.
 - d. Leave of Absence Issue– CalSTRS had a strict definition and they're pursuing a better definition and they're trying to get it in the trailer bill.
- 3. Federal Retirement – Stephanie Goldman
 - a. FACCC has signed onto coalition letters requesting that the repeal of the WEP and GPO be a part of COVID-related legislation and economic stimulus packages.
- 4. Miscellaneous Items
 - a. Retirement bills to consider for 2021
 - i. Deborah recommends considering a bill that would make CalSTRS Defined Benefit program the default for all faculty regardless of whether they're full-time or part-time, because it's the only program that is offered at every campus. (delete space below)
 - ii. Rich suggested mandating making social security an option through the state
 - b. Requests to CalSTRS
 - i. Deborah asked if CalSTRS can find out which part-time faculty are in cash balance and defined benefit. CalSTRS should send those people a letter letting them know that they can consolidate the plans.
 - ii. Request a time and date for the part-time task force.
 - c. For FACCC
 - i. Develop an informational packet to give to part-time faculty explaining the WEP, GPO, CB, and DB.
- 5. Adjourn