April 26, 2022

Governor Gavin Newsom   Senator Toni Atkins
Governor's Office   President pro Tempore
State Capitol, First Floor   California State Senate
Sacramento, CA 95814   Sacramento, CA 95814

Assembly Member Anthony Rendon
Speaker of the Assembly
California State Assembly
Sacramento, CA 95814

RE: Pension Relief for Public Education

Employer contribution rates for California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) are scheduled to increase in 2022-23, resulting in $1.2 billion in increased costs for local educational agencies (LEA) and community colleges. These costs come directly out of school and college budgets, diverting critical funds out of the classroom, where they are needed most.

With inflation rates at the highest level the nation has seen in 40 years at an estimated 7.9 percent and a proposed cost of living adjustment (COLA) of 5.33 percent for LEAs and community colleges, public education across the state will experience diminished buying and operational capacity, at a time when student need has never been higher. Absent a contribution from the general fund to keep the contribution rates flat in 2022-23, LEAs and community colleges will see rate increases in CalSTRS of approximately 2.18 percent and 2.16 percent for CalPERS. This is a single-year pension cost increase of $1.2 billion starting July 1, 2022 and takes funds away from student services in every school and community college in the state.

We respectfully request a $3.5 billion non-Proposition 98 General Fund payment on the behalf of LEAs and community colleges to CalSTRS and the CalPERS Schools Pool. Of this amount, an estimated $1.2 billion would sustain the employer contribution rates in the short-term. The remaining $2.3 billion would reduce employers' long-term unfunded liability for both systems. This will provide significant relief to LEAs and community colleges for the rising costs of pensions, both now and in the future and keep critical dollars in the classroom to support students.

Sincerely,

Acalanes Union High School District
Alpine County Office of Education
Alpine County Unified School District
Anderson Valley Unified School District
Antelope Valley College
Antelope Valley Union High School District
Allensworth Elementary School District
Association of California School Administrators
Association of Chief Business Officials California Community Colleges
Atascadero Unified School District
Butteville Elementary
California Community College Independents
California County Superintendents Educational Services Association
California Federation of Teachers
California IT in Education
California School Board Association
California School Employees Association
California Teachers Association
Campbell Union School District
Cerritos Community College District
City College of San Francisco
College School District
Community College League of California
Contra Costa Community College District
Corning Union Elementary School District
Da Vinci Schools
Esparto Unified School District
Faculty Association of the California Community Colleges

Fallbrook Union High School District
Fresno County Superintendent of Schools
Fullerton Joint Union High School District
Glendale Unified School District
Grant Elementary School
Happy Camp Union Elementary
Humboldt County Office of Education
Imperial County Office of Education
Inglewood Unified School District
Inyo County Office of Education
Johnstonville Elementary School District
Jurupa Unified School District
Kernville Union School District
Keyes Union School District
Klamath-Trinity Joint Unified School District
Lake County Office of Education
Lake Elementary School District
Lakeside Joint School District
Lakeside Union School District
Lassen Union High School District
Lemoore Union Elementary School District
Los Angeles College Faculty Guild, AFT 1521
Los Angeles Community College District
Los Angeles County Office of Education
Los Angeles Unified School District
Los Rios Community College District
Madera County Superintendent of Schools
Marysville Joint Unified School District
Menifee Union School District
Menlo Park City School District
Merced County Office of Education
Middletown Unified School District
Modoc Joint Unified School District
Mono County Office of Education
Monterey County Office of Education
Mountain Empire Unified School District
Mt. San Antonio College
Mt. San Jacinto College
Napa Valley Unified School District
Newhall School District
North Orange Community College District
Norwalk – La Mirada Unified School District
Orcutt Union School District
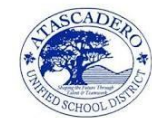Palo Alto Unified School District

Pajaro Valley Unified School District
Pasadena City College
Pasadena Unified School District
Pixley Union School District
Placer County Office of Education
Redondo Beach Unified School District
Rio Dell Elementary School District
Riverside Unified School District
San Bernardino City School District
San Bernardino Community College District
San Diego Community College District
San Diego County Office of Education
San Diego Unified School District
San Luis Obispo County Office of Education
San Ramon Valley Unified School District
Santa Barbara County Office of Education
Santa Barbara Unified
Santa Clara County Office of Education
Santa Cruz County Office of Education
Santa Monica College
San Ysidro School District
Sebastopol Union School District
School Employers Association of California
Shaffer Elementary School District
Small School Districts' Association
Solana Beach School District
Somis Union School District
Sonoma County Office of Education
Stanislaus County Office of Education
Sundale Union Elementary School District
Surprise Valley Joint Unified School District
Tehama County Department of Education
Temecula Valley Unified
Tuolumne County Superintendent of Schools
Visalia Unified School District
Whittier Union High School District
Willowcreek Elementary
Yuba Community College District