

NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-09)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-2011-0630-01	REGULATORY ACTION NUMBER	EMERGENCY NUMBER
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For use by Office of Administrative Law (OAL) only

<p>RECEIVED FOR FILING PUBLICATION DATE</p> <p>JUN 30 '11 JUL 15 '11</p> <p>Office of Administrative Law</p> <p>NOTICE</p>	<p>REGULATIONS</p>
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AGENCY WITH RULEMAKING AUTHORITY California State Teachers' Retirement System	AGENCY FILE NUMBER (if any)
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A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE Internal Appeal		TITLE(S) 5	FIRST SECTION AFFECTED 27100	2. REQUESTED PUBLICATION DATE July 15, 2011
3. NOTICE TYPE <input checked="" type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON Jennifer L. Plescia		FAX NUMBER (Optional) 916-414-1723
TELEPHONE NUMBER 916-414-1724		NOTICE REGISTER NUMBER		PUBLICATION DATE
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn			

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Internal Appeal	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT Article 16, Sections 27000 through 27103 to Title 5, Division 3, Chapter 1 of the Cal. Code Regs
	AMEND
TITLE(S) 5	REPEAL

3. TYPE OF FILING			
<input checked="" type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))	<input type="checkbox"/> Other (Specify) _____		


4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)			
<input checked="" type="checkbox"/> Effective 30th day after filing with Secretary of State	<input type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> §100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify) _____

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY			
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal	
<input type="checkbox"/> Other (Specify) _____			

7. CONTACT PERSON Jennifer L. Plescia	TELEPHONE NUMBER 916-414-1724	FAX NUMBER (Optional) 916-414-1723	E-MAIL ADDRESS (Optional) jplescia@calstrs.com
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE 	DATE 6/30/11
TYPED NAME AND TITLE OF SIGNATORY Jack Ehnes, Chief Executive Officer	

For use by Office of Administrative Law (OAL) only

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REGULAR

STATE OF CALIFORNIA--OFFICE OF ADMINISTRATIVE LAW
NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-09)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-2011-0630-01	REGULATORY ACTION NUMBER 2012-0103-01S	EMERGENCY NUMBER
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For use by Office of Administrative Law (OAL) only	
NOTICE	REGULATIONS

2012 JAN -3 PM 2:21

OFFICE OF ADMINISTRATIVE LAW

AGENCY WITH RULEMAKING AUTHORITY California STATE teachers' Retirement SYSTEM	AGENCY FILE NUMBER (if any)
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A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE Internal Appeal	TITLE(S) 5	FIRST SECTION AFFECTED 27100	2. REQUESTED PUBLICATION DATE July 15, 2011
3. NOTICE TYPE <input checked="" type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON Jennifer L. Plescia	TELEPHONE NUMBER 916-414-1724	FAX NUMBER (Optional) 916-414-1723
OAL USE ONLY <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	ACTION ON PROPOSED NOTICE	NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Internal Appeal	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT Article 16, Sections 27000 through 27103 to Title 5, Division 3, Chapter 1 of the Cal. Code Regs
	AMEND
	REPEAL
TITLE(S) 5	

3. TYPE OF FILING			
<input checked="" type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))	<input type="checkbox"/> Other (Specify) _____		

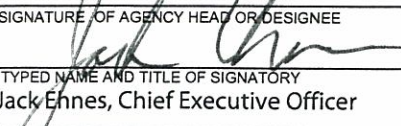
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)			
<input checked="" type="checkbox"/> Effective 30th day after filing with Secretary of State	<input type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> §100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify) _____

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY			
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<input type="checkbox"/> Other (Specify) _____			

7. CONTACT PERSON Jennifer L. Plescia	TELEPHONE NUMBER 916-414-1724	FAX NUMBER (Optional) 916-414-1723	E-MAIL ADDRESS (Optional) jplescia@calstrs.com
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE 	DATE 12/30/11
TYPED NAME AND TITLE OF SIGNATORY Jack Ennes, Chief Executive Officer	

For use by Office of Administrative Law (OAL) only

NOTICE PUBLICATION/REGULATIONS SUBMISSION

STD. 400 (REV. 01-09) (REVERSE)

**INSTRUCTIONS FOR PUBLICATION OF NOTICE
AND SUBMISSION OF REGULATIONS**

Use the form STD. 400 for submitting notices for publication and regulations for Office of Administrative Law (OAL) review.

ALL FILINGS

Enter the name of the agency with the rulemaking authority and agency's file number, if any.

NOTICES

Complete Part A when submitting a notice to OAL for publication in the California Regulatory Notice Register. Submit two (2) copies of the STD. 400 with four (4) copies of the notice and, if a notice of proposed regulatory action, one copy each of the complete text of the regulations and the statement of reasons. Upon receipt of the notice, OAL will place a number in the box marked "Notice File Number." If the notice is approved, OAL will return the STD. 400 with a copy of the notice and will check "Approved as Submitted" or "Approved as Modified." If the notice is disapproved or withdrawn, that will also be indicated in the space marked "Action on Proposed Notice." Please submit a new form STD. 400 when resubmitting the notice.

REGULATIONS

When submitting regulations to OAL for review, fill out STD. 400, Part B. Use the form that was previously submitted with the notice of proposed regulatory action which contains the "Notice File Number" assigned, or, if a new STD. 400 is used, please include the previously assigned number in the box marked "Notice File Number." In filling out Part B, be sure to complete the certification including the date signed, the title and typed name of the signatory. The following must be submitted when filing regulations: seven (7) copies of the regulations with a copy of the STD. 400 attached to the front of each (one copy must bear an original signature on the certification) and the complete rulemaking file with index and sworn statement. (See Gov. Code § 11347.3 for rulemaking file contents.)

RESUBMITTAL OF DISAPPROVED OR WITHDRAWN REGULATIONS

When resubmitting previously disapproved or withdrawn regulations to OAL for review, use a new STD. 400 and fill out Part B, including the signed certification. Enter the OAL file number(s) of all previously disapproved or withdrawn filings in the box marked "All Previous Related OAL Regulatory Action Number(s)" (box 1b. of Part B). Submit seven (7) copies of the regulation to OAL with a copy of the STD. 400 attached to the front of each (one copy must bear an original signature on the certification). Be sure to include an index, sworn statement, and (if returned to the agency) the complete rulemaking file. (See Gov. Code §§ 11349.4 and 11347.3 for more specific requirements.)

EMERGENCY REGULATIONS

Fill out only Part B, including the signed certification, and submit seven (7) copies of the regulations with a copy of the STD. 400 attached to the front of each (one copy must bear an original signature on the certification). (See Gov. Code §11346.1 for other requirements.)

NOTICE FOLLOWING EMERGENCY ACTION

When submitting a notice of proposed regulatory action after an emergency filing, use a new STD. 400 and complete Part A and insert the OAL file number(s) for the original emergency filing(s) in the box marked "All Previous Related OAL Regulatory Action Number(s)" (box 1b. of Part B). OAL will return the STD. 400 with the notice upon approval or disapproval. If the notice is disapproved, please fill out a new form when resubmitting for publication.

CERTIFICATE OF COMPLIANCE

When filing the certificate of compliance for emergency regulations, fill out Part B, including the signed certification, on the form that was previously submitted with the notice. If a new STD. 400 is used, fill in Part B including the signed certification, and enter the previously assigned notice file number in the box marked "Notice File Number" at the top of the form. The materials indicated in these instructions for "REGULATIONS" must also be submitted.

EMERGENCY REGULATIONS - READOPTION

When submitting previously approved emergency regulations for re adoption, use a new STD. 400 and fill out Part B, including the signed certification, and insert the OAL file number(s) related to the original emergency filing in the box marked "All Previous Related OAL Regulatory Action Number(s)" (box 1b. of Part B).

CHANGES WITHOUT REGULATORY EFFECT

When submitting changes without regulatory effect pursuant to California Code of Regulations, Title 1, section 100, complete Part B, including marking the appropriate box in both B.3. and B.5.

ABBREVIATIONS

Cal. Code Regs. - California Code of Regulations
Gov. Code - Government Code
SAM - State Administrative Manual

For questions regarding this form or the procedure for filing notices or submitting regulations to OAL for review, please contact the Office of Administrative Law Reference Attorney at (916) 323-6815.

NOTICE OF PROPOSED RULEMAKING

TITLE 5. EDUCATION

DIVISION 3. TEACHERS' RETIREMENT SYSTEM

CHAPTER 1. TEACHERS' RETIREMENT SYSTEM

ARTICLE 16. MEMBER'S RIGHT TO INTERNAL INFORMAL APPEAL OF A DETERMINATION BY CALSTRS STAFF OF A RIGHT TO A BENEFIT OR OBLIGATION

The California State Teachers' Retirement System ("CalSTRS" or "the System") and the Teachers' Retirement Board ("Board") propose to adopt new regulations, in the form of sections 27100 through 27103 (or the next subsequently available Section numbers) in new Article 16 (or the next subsequently available Article Number), Chapter 1, Division 3, Title 5 of the California Code of Regulations, after considering all comments, objections, and recommendations regarding the proposed action.

PUBLIC HEARING

A public hearing will be held:

Date and Time: September 22, 2011 at 10:00 a.m. to 11:00 a.m.

Place: California State Teachers' Retirement System
Boardroom
100 Waterfront Place
West Sacramento, CA 95605

Purpose: To receive comments about this action. Comments are limited to five minutes each and must not repeat comments already received in written or verbal form.

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory actions to CalSTRS. The written comment period closes at 5:00 p.m. on August 29, 2011. CalSTRS may only consider written comments received at CalSTRS' office address as reflected below by that time. Submit comments to:

Office of the General Counsel
California State Teachers' Retirement System
c/o Jennifer L. Plescia
P.O. Box 15275, MS-03
Sacramento, CA 95851-0275
Fax: (916) 414-1723
E-Mail: CalSTRSInternalReview@CalSTRS.com

AUTHORITY AND REFERENCE

The Board has exclusive authority to administer CalSTRS under Article XVI, section 17 of the California Constitution. In addition, California Education Code section 22207 authorizes the Board to perform any acts necessary for the administration of the System and the plan in carrying into effect the provisions of the Teachers' Retirement Law,

California Education Code sections 22000 through 28101 (“the Law”). Education Code section 22305 provides that any rules and regulations adopted by the Board have the force and effect of law. These regulations would implement, interpret, and make specific Education Code sections 22146, 22107, 22108, 22161.5, 22174, 22250, 22303, 22303, 22375, 22450, 26132, 22375, 22207, 26301, 22455, 24003, 24103, 26002, 26132, 22206, 22375, and 22219.

The Board approved the proposed regulations on April 8, 2011, and authorized the System to give public notice and schedule a public hearing before the Board.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The California Constitution recognizes that the Board has “plenary authority and fiduciary responsibility for investment of moneys and administration of the system.” (Cal. Const., Art. XVI, § 17). The Education Code section 22301 provides authority and responsibility to the chief executive officer for the administration of the system and the plan pursuant to the policies and rules adopted by the board. Education Code section 22000 et seq governs how CalSTRS administers benefits. Education Code section 22305 states that any rules and regulations adopted by the board for the purpose of the administration have the force and effect of law.

The proposed regulations provide guidelines for a member, former member, participant, former participant, beneficiary, or entity to exhaust CalSTRS administrative remedies when disputing how CalSTRS is administering a benefit. The Board now proposes to adopt regulations that provide guidelines in exhausting internal administrative remedies prior to taking the matter to an administrative hearing.

Proposed Sections 27100 through 27103 describe and implement procedures for a member, former member, participant, former participant, beneficiary, or entity to follow when making a request or disputing a decision. The regulations also articulate what information is required to move the informal process forward to the next internal level which provides transparency and predictability. The regulations do not incorporate by reference any documents.

DISCLOSURES REGARDING THE PROPOSED ACTION

CalSTRS has made the following initial determinations, as required by the California Administrative Procedure Act and Office of Administrative Law regulations:

1. MANDATE ON LOCAL AGENCIES AND SCHOOL DISTRICTS:

None.

2. COST OR SAVINGS TO ANY STATE AGENCY:

CalSTRS anticipates the regulations would save staff resources in the Benefits and Services branch by permitting qualified matters to proceed directly to administrative hearing instead of an internal review of a CalSTRS action. Accordingly, these regulations would expedite the internal appeals process and allow the member’s request or dispute to proceed almost directly to administrative hearing.

3. COST TO ANY LOCAL AGENCY OR SCHOOL DISTRICT WHICH MUST BE REIMBURSED IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE (“GC”) SECTIONS 17500 THROUGH 17630:

None.

4. OTHER NONDISCRETIONARY COST OR SAVINGS IMPOSED ON LOCAL AGENCIES:

None.

5. COST OR SAVINGS IN FEDERAL FUNDING TO THE STATE:

None.

6. SIGNIFICANT, STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS INCLUDING THE ABILITY OF CALIFORNIA BUSINESSES TO COMPETE WITH BUSINESSES IN OTHER STATES:

None.

7. COST IMPACTS ON A REPRESENTATIVE PRIVATE PERSON OR BUSINESS:

The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

8. ADOPTION OF THESE REGULATIONS WILL NOT:

- (a) Create or eliminate jobs within California;
- (b) Create new businesses or eliminate existing businesses within California;
- (c) Affect the expansion of businesses currently doing business within California.

9. SIGNIFICANT EFFECT ON HOUSING COSTS:

None.

10. SMALL BUSINESS DETERMINATION:

The Board has determined that the proposed regulations do not affect small business as small businesses are not impacted by the statutes that these regulations are clarifying.

CONSIDERATION OF ALTERNATIVES

CalSTRS and the Board must determine that no reasonable alternative it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed or would be as effective as and less burdensome to affected private persons than the proposed action.

The System was not presented with alternatives during the public discussions pursuant to Government Code section 11346.45. CalSTRS has not identified any alternative. Additionally, there is no indication there would be an adverse impact on any of CalSTRS constituents.

CalSTRS and the Board invite interested persons to present any statements or arguments that would support an alternative to the proposed regulations in the form of written comments or comments at the public hearing.

CONTACT PERSON

Inquiries concerning the proposed administrative action may be directed to:

Jennifer L. Plescia
Office of the General Counsel – Legal Services
California State Teachers' Retirement System
P.O. Box 15275, MS-03
Sacramento, CA 95851-0275
Telephone: (916) 414-1724
Fax: (916) 414-1723
E-Mail: CalSTRSInternalReview@CalSTRS.com

The backup contact person for these inquiries is:

Gail Moore
Office of the General Counsel – Legal Services
California State Teachers' Retirement System
P.O. Box 15275, MS-TBD
Sacramento, CA 95851-0275
Telephone: (916) 414-1724
Fax: (916) 414-1723
E-Mail: CalSTRSInternalReview@CalSTRS.com

Please direct requests for copies of rulemaking documents or for any other information to Jennifer L. Plescia using the contact information listed above.

AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

CalSTRS will have the entire rulemaking file available for public inspection and copying throughout the rulemaking process at its offices at the address listed above. In addition, the entire rulemaking file is available for viewing on the System's Web site at www.CalSTRS.com using the menu on the left-hand side under Learn About > Legislation and then scrolling down to Regulations. As of the date this Notice is published in the California Notice Register, the rulemaking file consists of this Notice; the proposed text of new regulations; the Initial Statement of Reasons; the Fiscal Impact Statement; and the Statement of Mailing Notice. Copies are available by contacting Ms. Jennifer L. Plescia using the contact information listed above.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After holding its hearing and considering all timely and relevant comments received, the Board may adopt the proposed regulations substantially as described in this Notice or may, on its own motion or at the recommendation of any interested person, modify the

proposed regulations. If the Board makes modifications that are sufficiently related to the original proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before adopting the regulations as revised. The Board will accept written comments on the modified regulations for 15 days after the date on which they are made available. Please contact Jennifer L. Plescia using the contact information listed above for copies of modifications, if any.

AVAILABILITY OF FINAL STATEMENT OF REASONS

Upon its preparation, CalSTRS will have the Final Statement of Reasons available for public inspection and copying at its offices at the address listed above. In addition, the Final Statement of Reasons will be available for viewing on the System's Web site at www.CalSTRS.com.

AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of rulemaking documents can be accessed through the System's Web site at www.CalSTRS.com.