



## Appeals Committee

### Item Number 3 – Open Session

**Subject:** Consideration of the Proposed Decision: In the Matter of the Retirement Benefits of: John Boyett

**Presenter(s):** Charles Glauberman; Sue Xiong

**Item Type:** Action

**Date & Time:** September 24, 2024 – 15 minutes

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**Attachment(s):** Attachment 1 – Proposed Decision

**PowerPoint(s):** None

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#### **ITEM PURPOSE**

The purpose of this item is to consider the proposed decision issued in the above-referenced matter.

#### **EXECUTIVE SUMMARY**

Administrative Law Judge (ALJ) Michelle Dylan received evidence at an administrative hearing on January 25 and 26, 2024, for the above referenced matter. The record was held open to allow CalSTRS and Respondent John Boyett to submit closing briefs, and for the parties to provide copies of designated pages of transcripts of the proceedings. CalSTRS and Mr. Boyett, through their respective counsel, timely submitted closing briefs. On June 18, 2024, the record closed and the matter was submitted for decision.

On July 16, 2024, ALJ Dylan delivered a proposed decision denying Mr. Boyett's appeal, and affirmed CalSTRS' finding that the portion of his salary in the school years that he served in the teacher liaison position should be credited to his Defined Benefit Supplement (DBS) account. (Attachment 1).

Mr. Boyett and his attorney were given an opportunity to submit a written statement in response to the proposed decision, but they did not submit one.

#### **BACKGROUND**

CalSTRS conducted an audit of the St. Helena Unified School District (the "District"), issued a Draft Audit Report on August 15, 2019, and issued the Final Audit Report on October 24, 2019. The audit found that the District incorrectly reported creditable compensation for the sampled member, a CalSTRS member who was employed as a full-time certificated teacher and teacher

liaison during the 2017-2018 school year, which caused his reportable compensation to be higher than allowed under the Teachers' Retirement Law ("TRL"). Specifically, the Audit found that the teacher liaison is not a class of employees in and of itself, and the member serving as the teacher liaison already worked as a full-time teacher. Any work performed above and beyond the duties of a full-time teacher – the administrative duties of the teacher liaison – was considered extra work to be creditable to the member's DBS account.

As a teacher liaison, the sampled member took on the extra administrative duties in addition to his regular full-time teaching duties. The District reclassified the pay schedule based on the additional teacher liaison duties, and paid the sampled member on a 206-day schedule, instead of the 186-day schedule for full-time certificated teachers. The District reported the entire 206 days of teacher liaison compensation as part of the sampled member's base salary to his DB account.

CalSTRS noted that the teacher liaison did not belong to the class of employees that worked according to the 206-day schedule, but instead belonged to the class that worked the 186-day schedule for full-time credentialed teachers. Thus, the extra compensation the teacher liaison earned for the 20 days of work over and above the full-time teaching assignment were extra-duty earnings that should have been reported as a part-time assignment. Pursuant to Education Code section 25004, the extra compensation for those extra 20 days should have been credited to the member's DBS account, instead of the DB account.

Following its receipt of the Final Audit Report upholding the relevant findings, the District corrected its reporting by re-reporting the sampled member's compensation during the period he worked as a teacher liaison, identified Respondent John Boyett, the predecessor to the sampled member, as an additional member for whom it had misreported pursuant to this finding, and also corrected its reporting for Mr. Boyett.

Mr. Boyett was a certificated teacher for the District from 1993 until his retirement in June 2016. During his tenure with the District, Mr. Boyett primarily worked as a physical education (PE) teacher, but also worked as a football coach, a before-school driver's education instructor, and served as the St. Helena Teacher's Association President. Mr. Boyett worked as a PE teacher during the 2011-2012 school year, and worked according to the 188-day salary schedule for all full-time certificated teachers.

During the 2011-2012 school year, the District's superintendent approached Mr. Boyett about working in a teacher liaison position, which Mr. Boyett accepted. The teacher liaison position created by the District required a full-time teacher to take on additional administrative duties, including working with the school board, administrators, and teaching staff to develop policies and curriculum to benefit all students, as well as attend various meetings. Mr. Boyett worked as the teacher liaison, which included his regular teaching duties and the additional administrative duties, from 2012 until his 2016 retirement.

In the teacher liaison position, Mr. Boyett still worked his normal duties as a PE teacher, but also attended the District's budget advisory committee meetings, along with weekly committee and cabinet meetings. If a conflict arose between Mr. Boyett's normal teaching duties and his teacher liaison duties, the District expected the teacher liaison duties to take precedence. Instead of working according to the regular full-time certificated teacher 188-day salary schedule, Mr.

Boyett's new position that combined his regular PE teacher duties along with the additional teacher liaison duties worked according to a 208-day salary schedule. The District reported Mr. Boyett's entire compensation to his CalSTRS DB account according to the 208-day salary schedule.<sup>1</sup>

As it related to Mr. Boyett, the District ultimately submitted corrections to Mr. Boyett's compensation for the 2012-2013 school year through the 2015-2016 school year, when Mr. Boyett retired from CalSTRS. The corrections resulted in a reduction to Mr. Boyett's monthly retirement benefits, and an increase in his DBS annuity. Since Mr. Boyett had retired in June 2016, he received an overpayment assessment that included overpayments from his June 2016 retirement until the District corrected its reporting. Mr. Boyett is currently repaying the overpayment through a five-percent monthly benefit reduction.

Following the audit, CalSTRS gave the District the opportunity to create a separate "class of one" for the teacher liaison position pursuant to the TRL and regulations, which would have allowed the teacher liaison position to be its own class of employees that worked on a 206-day salary schedule, and which would not have necessitated any reporting corrections or benefit adjustments. However, the District declined to do so as it could not identify at least two additional districts that used a similar job description with a longer work calendar that had their full compensation credited to the DB account, as required by law to establish a class of one. Therefore, Mr. Boyett remained in the class of full-time certificated teachers.

Mr. Boyett disagreed with his benefit adjustments as a result of the Final Audit Report and requested this appeal.

The issue at hearing was whether Mr. Boyett's additional duties as a teacher liaison, and the additional time spent performing those duties, could be credited to his DB or DBS account. CalSTRS argued that only a single full-time assignment can be reported to the member's DB account, and that Mr. Boyett's teacher liaison duties and compensation were in addition to that which he already received for his full-time teaching duties. Because creditable compensation must be paid in the same amount to all individuals in the same class of employees pursuant to Education Code section 22119.2, subdivisions (a), (d)(1), & (g), and the extra earnings Mr. Boyett earned were not paid to all other members of his class of full-time teachers, his extra earnings for his teacher liaison work were required to be reportable to his DBS account. Mr. Boyett argued that: 1) the teacher liaison position was a class of one; 2) that CalSTRS was incorrect in precluding classes of one for positions other than superintendent; and 3) equitable estoppel precluded CalSTRS' recalculation of his retirement allowance.

ALJ Dylan rejected all of Mr. Boyett's arguments, and upheld CalSTRS' finding that the additional compensation Mr. Boyett earned for performing the additional teacher liaison duties should be credited to his DBS account. ALJ Dylan reasoned that the teacher liaison position was not a class of one, and that CalSTRS was correct in precluding the establishment of a class of one for Mr. Boyett's teacher liaison job pursuant to Education Code section 22115.5, subdivision (b) and 5 CCR § 27300, subdivision (a)(1)(E). Because only a single full-time position can be reported to

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<sup>1</sup> Beginning with the 2016-2017 school year, the District's 208-day and 188-day schedules were reduced to 206-day and 186-day schedules, respectively. Mr. Boyett retired prior to this change, making the reporting at issue based on the 208-day and 188-day schedules.

the DB account for each member, ALJ Dylan concluded that, consistent with case law and CalSTRS' precedential decisions, all additional reportable service and compensation must only be credited to Mr. Boyett's DBS account. Accordingly, ALJ Dylan rejected Mr. Boyett's appeal to credit his additional compensation from his teacher liaison duties to his DB account.

### **RECOMMENDATIONS**

Pursuant to Government Code section 11517, subdivision (c)(2)(C), staff recommends that the Appeals Committee adopt the proposed decision with the following technical or other minor changes:

1. Change "renumeration" to "remuneration" on: page 3, paragraph 4, line 3; page 28, paragraph 2, line 4; and page 33, paragraph 15, line 10.
2. On page 12, paragraph 27, line 6, add the word "his" immediately preceding "CalSTRS DB account."
3. On page 31, paragraph 9, lines 11-12, change "code section" to "Education Code section."
4. On Page 32, paragraph 12, line 12, change "account rather it" to "account. Rather, it."
5. On page 32, paragraph 13, line 3, change "were" to "was."

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Strategic Plan Linkage: Goal 1 (trusted stewards) to ensure a well-governed, financially sound trust fund

Board Policy Linkage: Section 7.C. [Guidelines for Consideration of Proposed Decisions in Appeals](#)

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