

FINAL STATEMENT OF REASONS

Update of Initial Statement of Reasons

The proposed regulations were made available to the public from July 11, 2025, through September 4, 2025. A public hearing was held on September 4, 2025. CalSTRS received one email during the first public comment period from the Los Angeles Unified School District to express support of the proposed changes and to request that CalSTRS publish a guide incorporating new guidance to be published no later than June 2026. No other comments were received in writing or verbally at the public hearing.

An additional 15-day public comment period was held from September 5, 2025, through September 20, 2025, for the nonsubstantive change to both the regulatory language and the Contribution File Layout to specify the version date of the Contribution File Layout. No comments were received during the second comment period.

Incorporation by Reference

The Contribution File Layout is incorporated by reference pursuant to 1 CCR § 20 because it would be cumbersome and impractical to publish the layouts in the California Code of Regulations due to the volume and technical nature of the information in each layout. The Notice of Proposed Rulemaking indicated the rulemaking file was available for public inspection and copying throughout the rulemaking process at CalSTRS headquarters at 100 Waterfront Place, West Sacramento, CA, 95605. The Notice also indicated the rulemaking documents were available on the CaSTRS website (<https://www.calstrs.com/regulatory-activity>).

The informative digest in the Notice of Proposed Rulemaking identified that the proposed amendments to regulations in this rulemaking action update the regulations that specify the electronic file formats employers are required to use to report member data and clearly identified the document to be incorporated by its “Contribution File Layout” title. The notice did not specify the date of the document to be incorporated by reference due to the possibility that the document could be modified in response to a public comment. The document to be incorporated by reference was modified to specify the version date after the close of the 45-day public comment period since no comments affecting the document were received. The Notice of Modification to Text indicated there were changes to the Contribution File Layout to specify the version date of the Contribution File Layout, and the version date was clearly noted within the document and in the regulatory text as “July 1, 2025.”

Alternatives Determination

CalSTRS has determined that no reasonable alternative would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. No alternatives were raised during the regulatory process beyond the one discussed in the Initial Statement of Reasons.

Local Mandate Determination

CalSTRS has determined that the regulations proposed do not constitute a mandate on school districts or other local agencies. The proposed amendments do not mandate a new program or require a higher level of service in an existing program. The regulations provide the clarifications necessary for implementation of statutory changes for CalSTRS and exclusive representatives and for employers to successfully report compensation to CalSTRS in accordance with Chapter 690, Statutes of 2024 (AB 1997–McKinnor).