

The Honorable Darahana Patel
Chair, Assembly Education Committee
1021 O Street, Suite 5140
Sacramento, CA 95814

March 27, 2026

RE: AB 2197 (Valencia)

Position: Sponsor

Dear Chair Patel:

The CFT — A Union of Educators & Classified Professionals, AFT, AFL-CIO, is the sponsor for Assembly Bill 2197 (Valencia), which would provide better transparency and protection of education employees in regard to the solicitation of financial products.

Specifically, this bill would prohibit a school district, county office of education, or charter school from permitting solicitation of financial services or products on a school site to school employees unless specified conditions are met, including, requiring the representative to follow security measures and provide evidence of their business and license status. The bill would prohibit a representative from providing any inducement to school employees and would require the representative to provide certain verbal and written disclosures at the beginning and end of each solicitation. The bill would prohibit a representative or business from using graphics, uniforms, or other items that could reasonably lead an employee to believe the representative is affiliated with a different business or agency. The bill would also require any solicitation conducted through electronic mail to include certain disclaimers.

Currently law allows for visitors to school sites for a variety of reasons, including financial institutions who wish to inform education employees of their benefits as they relate to retirement security. With few exceptions, teachers are members of the California State Teachers' Retirement System (CalSTRS), and classified school employees are members of the California Public Employee Retirement System (CalPERS). Both systems provide defined benefit pensions, as well as other retirement options that can bolster an employee's retirement security, such as a 403(b) plan. In some cases, a third party administrator will provide the services of these other options to a local education agency and also hold informational meetings on campuses for the benefit of the member employees.

Unfortunately, there are also a number of other entities that can appear to be linked to CalSTRS, CalPERS, or third-party administrators who are contracted with the educational agency and attempt to solicit employees in order to sell other financial products. These products, such as life insurance plans or annuities are separate from the bona fide benefits provided to employees (usually included in collective bargaining agreements), and can come with high costs often hidden

from the consumer. Some educators have found themselves to have purchased these products, believing them to be a part of the STRS or PERS retirement regimen only to find that they come with high costs and may not be the best financial decision.

This bill attempts to shield workers from these dubious business practices and shine a light on when employees are talking to a trusted financial partner or a different entity that is making a sales pitch. Included in this protection is a requirement for businesses, when soliciting employees via their public email addresses, include a disclaimer in the subject line of the email that the email is from a "VENDOR" or that it is a "SOLICITATION." While some financial products may make sense for some individuals based on their financial situation, every worker needs to know when they are talking to a salesperson who is attempting to make a sale while providing financial options, or if they are talking to an entity that already has a fiduciary duty to them and is working in their best interest.

For these reasons, the CFT is proud to sponsor AB 2197, and urges your AYE vote. If you have any questions, please don't hesitate to reach out to me at tbrown@cft.org.

Sincerely,



Tristan Brown
Legislative Director

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