

# SMOOTHER SAILING AHEAD: NAVIGATING CHANGE THROUGH EARLY RETIREMENT INCENTIVES

A stylized, dark blue silhouette of a sailboat with two sails, positioned on the right side of the slide, partially overlapping the main title text.

**2026 ACHRO/EEO Fall Institute**

*September 30, 2026*

**PARS** ■ PUBLIC AGENCY  
RETIREMENT SERVICES

 PASADENA CITY COLLEGE

# MEET TODAY'S PANELISTS

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**Robert Blizinski**

*Assistant Superintendent/  
Vice President of Human Resources*



**Eric O'Leary**

*Executive  
Vice President*



# TODAY'S OBJECTIVES

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Discover how early retirement incentives can help districts balance employee needs with long-term fiscal sustainability:

- ⚙️ **Know the waters:** Changing state fiscal conditions and community college impacts
- ⚙️ **Adjust the course:** Strategic workforce right-sizing and budget reduction
- ⚙️ **Explore the options:** Early retirement and separation incentives
- ⚙️ **Learn from past captains:** Pasadena City College case study
- ⚙️ **Plan for the journey ahead:** Managing CalSTRS/CalPERS and retiree healthcare costs



**PARS** ■ PUBLIC AGENCY  
RETIREMENT SERVICES

# FISCAL SOLUTIONS

Public Agency  
Retirement Services

# WHAT ARE EARLY RETIREMENT INCENTIVES?

An Early Retirement Incentive (SRP) is a financial incentive to encourage employees to retire/separate from service earlier than normal to achieve fiscal savings for the district.

- Savings created by:



Accelerating rate of **natural** retirement attrition.



Replacing the departing employee with **lower salaried employees**.



Eliminating **higher salaried** employees to reduce the number of positions otherwise needed to achieve savings.

# WHY DO DISTRICTS OFFER INCENTIVES?

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- ⚙️ **Achieve** budget, fiscal, or cash flow savings
- ⚙️ **Reduce** the number of top-of-the-salary-schedule employees
- ⚙️ **Mitigate** potential future layoffs or other cost-cutting measures
- ⚙️ **Manage** declining enrollment issues
- ⚙️ **Revitalize** workforce for future (i.e., promotional opportunities)
- ⚙️ **Address** diversity goals, workforce reflects current students and those of the future
- ⚙️ **Fulfill** technology goals, workforce reflects skills needed or those of the future
- ⚙️ **Reorganize** departments or programs
- ⚙️ **Pay** for new collectively bargained salary or benefits
- ⚙️ **Meet** administration and labor mutual needs

# WHEN SHOULD YOU OFFER/NOT OFFER AN INCENTIVE?

## DO offer if...

- ⚙ No incentive has been offered in last 3-5 years
- ⚙ District is facing budgetary/fiscal problems or declining enrollment
- ⚙ Strong trust/relationship between management and labor
- ⚙ Large number of employees clustered at top of salary scale
- ⚙ Low retirement attrition in recent years

## DON'T offer if...

- ⚙ There are concerns about enrollment demands/increases
- ⚙ Replacing employees will be difficult
- ⚙ Analysis doesn't show long-term savings
- ⚙ Unions are not "on board"
- ⚙ Legal/regulatory issues haven't been considered

# COMPREHENSIVE ANALYSIS MODEL

|   |                                                                                           |
|---|-------------------------------------------------------------------------------------------|
|   | <b>Total Compensation Differential between Retiring Employee and Replacement Employee</b> |
| - | Retirement Incentive Cost                                                                 |
| - | Current Natural Attrition                                                                 |
| - | Future Loss in Natural Attrition                                                          |
| - | Retirement Healthcare Cost                                                                |
| + | Savings due to Non-Replacements                                                           |
| = | <b>Net Savings (Cost)</b>                                                                 |

# WHAT ARE UNIQUE FACTORS FOR CCDS?

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- ⚙ **Adjunct Replacement**
- ⚙ **Faculty Obligation Number (FON)**
  - ⚙ Including the ability to replace Full-Time Faculty with Adjunct Faculty for up to one year without impacting the FON if resignations/retirements come within the last 45 “Duty Days”
- ⚙ **50% Law**
- ⚙ **Categorical Programs**
- ⚙ **Optional Multiple Retirement Windows**
  - ⚙ December retirements before or after June retirements
  - ⚙ Different retirement widows can be determined by employee group



# CASE STUDY: SRP

Pasadena City  
College

# ABOUT THE DISTRICT

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Pasadena City College is a public Community College District with a main campus, satellite campus, Community Education Center, and a Child Development Center



Enrolling over 30,000 students each semester



Located in Los Angeles County

# ABOUT THE DISTRICT

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**What was the fiscal environment in 2025-2026 academic year?**

- Rising personnel costs required sustainable, recurring savings.

**Why was the timing right for SRP consideration?**

- 265 retirement-eligible employees created an opportunity to use attrition rather than layoffs.

**What were the District's goals?**

- Save strategically, right-size the workforce, and reconsider vacancies before replacement.

# TIMELINE

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|                                                |                                                                                   |
|------------------------------------------------|-----------------------------------------------------------------------------------|
| <b>June 11, 2025</b>                           | • Board of Trustees adopts Resolution to offer PARS SRP                           |
| <b>June 12, 2025</b>                           | • Enrollment Window opened                                                        |
| <b>October 17, 2025</b>                        | • Enrollment Window closed                                                        |
| <b>November 12, 2025</b>                       | • Board of Trustees approves/cancels PARS SRP based on enrollment/fiscal analysis |
| <b>No later than<br/>November 21, 2025</b>     | • District announces whether PARS SRP moves forward                               |
| <b>December 31, 2025, OR<br/>June 30, 2026</b> | • Employees resign from District employment                                       |
| <b>February 1, 2026, OR<br/>August 1, 2206</b> | • PARS SRP Benefits commence                                                      |

# SRP DESIGN

## Incentive Benefit Level

- ✿ 75% of Final Pay spend amount
- ✿ Final Pay was the final annual base salary based on the 2025-2026 salary schedule, including longevity
- ✿ Final Pay did not include differential, stipends, extra and hourly assignments, overload, overtime pay, and contract extension days (extra contract days)

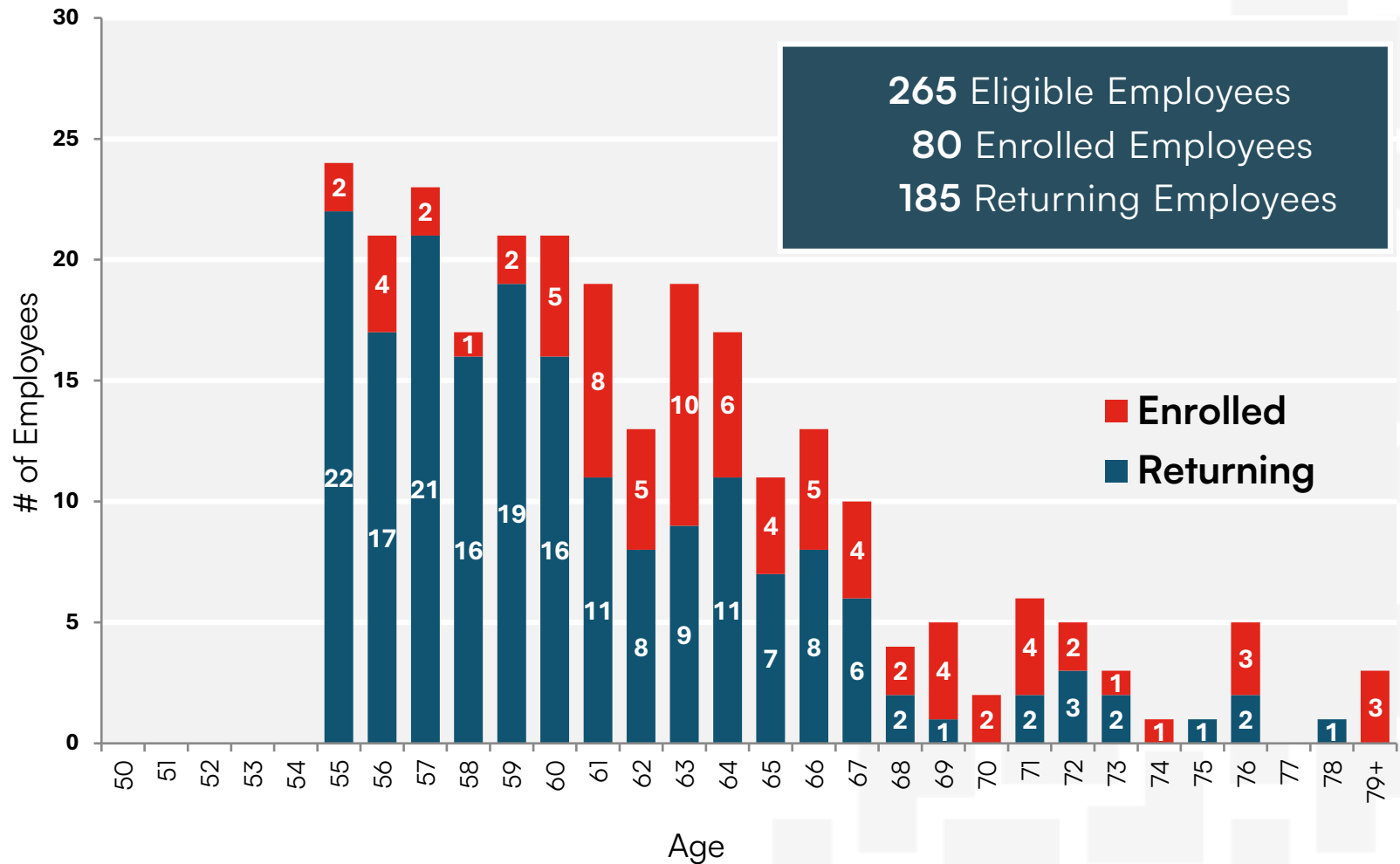
## Eligibility

- ✿ Offered to all employee groups who were employed on the day of Board of Trustee approval
- ✿ Employee was 55 years of age or older with 5 years of full-time service
- ✿ Was 1.0 FTE
- ✿ Completed either the 2025-2026 Fall Semester or 2025-2026 Academic Year
- ✿ Resigned no later than December 31, 2025 or June 30, 2026
- ✿ Submitted all required SRP forms and District Letter of Resignation by October 17, 2025

## Ability to Cancel

- ✿ The SRP was contingent on having sufficient plan participation to meet the District's fiscal and operational objectives
- ✿ If these goals were not met, the District could cancel the SRP, and all resignations would be automatically rescinded

# PLAN ELIGIBILITY & ENROLLED EMPLOYEES



# PARS SRP RETIREMENTS

## PARS SRP RETIREMENTS WITH 75% OF FINAL PAY BENEFIT

| Employee Group             | Number of Eligible Employees | Actual Retirements December 2025 | Actual Retirements June 2026 | Total Retirements | Percentage Retirements |
|----------------------------|------------------------------|----------------------------------|------------------------------|-------------------|------------------------|
| Faculty                    | 153                          | 10                               | 25                           | 35                | 22.88%                 |
| Educational Administrators | 9                            | 0                                | 2                            | 2                 | 22.22%                 |
| Classified Non-Management  | 88                           | 11                               | 25                           | 36                | 40.91%                 |
| Confidential               | 4                            | 1                                | 0                            | 1                 | 25.00%                 |
| Classified Administrators  | 11                           | 1                                | 5                            | 6                 | 54.55%                 |
| <b>TOTAL</b>               | <b>265</b>                   | <b>23</b>                        | <b>57</b>                    | <b>80</b>         | <b>30.19%</b>          |

# PROJECTED FISCAL IMPACT

@ DISTRICT ASSUMED REPLACEMENT WITH 75% OF FINAL PAY BENEFIT &  
2 Year Adjunct Replacement

| Employee Group                                 | Non-Replacement Positions         | Projected Savings in Mid-Year (2025-26) | Projected Savings in Year 1 (2026-27) | Projected Savings over 3 Years (2028-29) | Projected Savings over 5 Years (2030-31) |
|------------------------------------------------|-----------------------------------|-----------------------------------------|---------------------------------------|------------------------------------------|------------------------------------------|
| <b>Faculty</b><br>(2 Year Adjunct Replacement) | <b>0.00</b><br>(100% Replacement) | \$425,303                               | \$3,602,627                           | \$7,075,747                              | \$7,397,389                              |
| <b>Educational Administrators</b>              | <b>0.00</b><br>(100% Replacement) | \$0                                     | (\$43,321)                            | (\$144,113)                              | (\$260,614)                              |
| <b>Classified Non-Management</b>               | <b>3.60</b><br>(90% Replacement)  | (\$50,806)                              | (\$267,687)                           | (\$905,539)                              | (\$1,287,711)                            |
| <b>Confidential</b>                            | <b>0.00</b><br>(100% Replacement) | (\$10,256)                              | (\$11,695)                            | (\$50,152)                               | (\$88,582)                               |
| <b>Classified Administrators</b>               | <b>0.00</b><br>(100% Replacement) | (\$23,125)                              | (\$132,418)                           | (\$358,257)                              | (\$595,417)                              |
| <b>TOTAL @ 2 Year Adjunct</b>                  | <b>3.60</b><br>(96% Replacement)  | <b>\$341,116</b>                        | <b>\$3,147,506</b>                    | <b>\$5,617,686</b>                       | <b>\$5,165,065</b>                       |

If the assumptions are changed or modified by the District, the results shall vary from what is set forth in the analysis. The accuracy of any results and/or analysis will depend entirely upon the accuracy of the information provided by the District and the assumptions established by the District.

# SRP SUCCESS

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## Savings

80 retirements — 30.2% participation; approximately **\$5.2M projected five-year savings.**

## Collaboration

Board, administration, labor, employees, and PARS worked through a transparent, voluntary process.

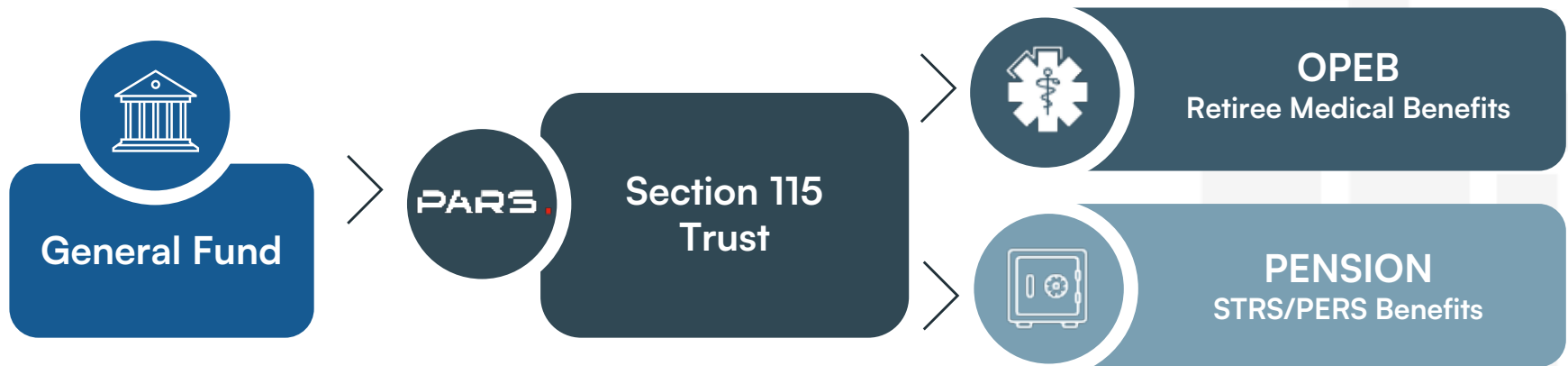
## Deep Bench

Internal talent maintained continuity while creating opportunities for promotion, succession, and reorganization.

# OTHER FISCAL COURSES FOR DISTRICTS

Section 115 Trust

# SECTION 115 COMBO TRUST



# WHY PREFUND OPEB AND/OR PENSION LIABILITIES

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- 1) Create a Rainy-Day Fund
- 2) Address Liabilities
- 3) Stabilize Costs
- 4) Chance to Retain Retiree Benefits (OPEB)
- 5) Achieve Better Returns
- 6) Strengthen Credit Rating

# QUESTIONS?

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## THANK YOU FOR ATTENDING!

For additional information or resources, please contact:

**Eric O'Leary**

*Executive  
Vice President*

[eoleary@pars.org](mailto:eoleary@pars.org)

(800) 540-6369 x 124

**Robert Blizinski**

*Assistant Superintendent/  
Vice President of  
Human Resources*

[rblizinski@pasadena.edu](mailto:rblizinski@pasadena.edu)

(626) 585-7282