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## COLLEGE SCHOOL DISTRICT

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**JAMES D. BROWN**  
Superintendent

December 1, 2011

Hon. Arthur A. Garcia  
Assistant Presiding Judge  
Santa Barbara Superior Court  
312 East Cook Street  
P.O. Box 5369  
Santa Maria, California 93456-5369

**Re: Response to Grand Jury Findings and Recommendations: "Local Government Post Employment Benefits in Santa Barbara County – Complicated and Costly."**

Dear Judge Garcia:

Below is College School District's response to the Grand Jury's recommendations in their report, "Local Government Post Employment Benefits in Santa Barbara County – Complicated and Costly."

### **Recommendation 1**

That, no later than January 1, 2012, all local government agencies that belong to multiple-employer pension pools obtain, and for each year thereafter, make publicly available estimates of their individual unfunded actuarial liability from an actuary or plan sponsor.

### **District's Response to Recommendation 1**

Recommendation 1 will not be implemented because it is not warranted or is not reasonable. This action is not within the scope of our office's capabilities, and the information is not currently available to the district. As the CSD is part of the school's statewide CalPERS and CalSTRS pools, employer contributions are set at the same rate for all school district members of the pool. The unfunded liability of the state schools pools impacts the employer contribution rate. This unfunded liability is made available to the general public annually in both the CalPERS Comprehensive Annual Report and the CalSTRS Comprehensive Annual Report.

**Recommendation 2a**

That, no later than January 1, 2012, in the best interest of ratepayers and taxpayers, each government agency that provides healthcare premiums for employees, adopt an implementation plan to reduce those contributions.

**District's Response to Recommendation 2a**

CSD currently provides limited health insurance benefits to six retirees per an early retirement incentive that was offered to employees who met the qualifications to elect the incentive. These benefits will be concluded in November of 2014. The incentive window has since expired and is not available to other potential retirees at this time.

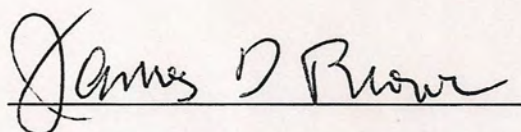
The district disagrees partly with the finding because elimination of this benefit may not provide any real net savings to the district. The district evaluated the current retirement incentive, as it does all potential retirement incentives, to ensure that the incentive will result in savings to the district.

**Recommendation 2b**

That, no later than January 1, 2012, in the best interest of ratepayers, each government agency that provides healthcare premiums for employees, implement prefunding their currently unfunded healthcare liability.

**District's Response to Recommendation 2b**

The district partly agrees with the recommendation that it should begin pre-funding the current unfunded healthcare liability. The district's early retirement incentive health insurance benefits provided to retirees will terminate in November of 2014 thus eliminating the need for funding due to the lack of any future liability.



James D. Brown, Superintendent  
College School District