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Carpinteria Unified School District

September 1, 2011

Carpinteria Unified School District's Response to the Santa Barbara County Civil Grand Jury Report *Local Government Post Employment Benefits in Santa Barbara County Complicated and Costly*

Grand Jury's Recommendation 1

That no later than January 1, 2012, all governmental 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 the plan sponsor

District's Response

Recommendation 1 will not be implemented because it is not reasonable.

Providing information related to the District's own unfunded actuarial liability is not within the scope of our office. Carpinteria Unified School District (CUSD) participates in the state-wide CalPERS and CalSTRS pools for schools. This information is not currently available to us.

The unfunded liability of the state schools pools impacts the employer contribution rate, and this unfunded liability is made available to the general public annually in the CalPERS Comprehensive Annual Financial Report and the CalSTRS Comprehensive Annual Financial Report.

Grand Jury's Recommendation 2a

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

District's Response

CUSD currently provides limited health insurance benefits to retirees who have reached the age of 55 and have worked full time for at least 20 years. These benefits are paid for a maximum of 7 years or until the retiree reaches the age of 65, whichever occurs first. In addition, these benefits are capped at amounts ranging from \$3,500 to the amount of the district-paid contribution at the date of retirement.

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The District disagrees partly with the finding because elimination of this benefit may not provide any real net savings to the District. Providing limited health insurance to retirees encourages staff to retire earlier resulting in savings when long-time staff are replaced with less expensive new staff.

Recommendation 2a will not be implemented because it is not warranted at this time. District staff continues to evaluate the cost and may negotiate changes with its staff in the future if warranted.

Grand Jury's Recommendation 2b

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

District's Response

The District agrees with the recommendation that it should begin pre-funding the current unfunded healthcare liability. However, the District has sustained significant reductions in state funding over the last three years and does not currently have the resources to create such a fund. This recommendation will be implemented in the future when additional resources are available.

Grand Jury's Recommendation 3

That, no later than January 1, 2012, in the best interest of ratepayers and taxpayers, each government agency that has compensated absences liabilities, adopt an implementation plan to reduce each agency's compensated absences liability.

District's Response

CUSD certificated staff do not earn vacation. It is District policy that classified staff cannot carry over more than 25 days of vacation at the end of the fiscal year. Should that occur, each supervisor or manager must create a plan for utilization by January 10 with the accumulated vacation over the cap utilized by the following fiscal year.

CUSD agrees with Recommendation 3 and will ensure that District policy is followed.



Lucinda L. Abbott, Assistant Superintendent
Carpinteria Unified School District