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LOMPOC UNIFIED SCHOOL DISTRICT
1301 North A Street, Post Office Box 8000
Lompoc, CA 93438-8000
(805) 742-3270 Fax (805)742-3355

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JAN 9 2012

BY: _____

July 1, 2011

Honorable Arthur A. Garcia
Assistant Presiding Judge
Santa Barbara Superior Court
P. O. Box 5369
Santa Maria, CA. 93456-5369

RE: Local Government Post Employment Benefits in Santa Barbara County

Dear Judge Garcia,

The Lompoc Unified School District agrees with many of the Grand Jury findings. Below are our responses to those findings and Recommendations.

Recommendation 1:

The recommendation will not be implemented because it is not warranted or is not reasonable. This action is not within the scope of our district's capabilities.

This information is not currently available to us. The Lompoc Unified School District is part of the schools statewide CalPERS and CalSTRS pools, and employer contributions are set at the same rate for all school district members of that pool. 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.

Recommendation 2a:

The recommendations have been implemented.

The district limits post-employment benefits in several ways. The district does not contribute towards the post-employment benefits for the majority of the retirees. The district does budget for those contracted post-employment benefits. Newly negotiated post-employment benefits were limited to only two-years at a capped dollar amount based on the funding source to fund those benefits. The benefits ended when that specific funding source ended. Retirement

incentive/benefits are funded by the savings accrued from a non-employed savings over the two year period. Per GASB-43, an actuarial study is completed every three (3) years.

Recommendation 2b:

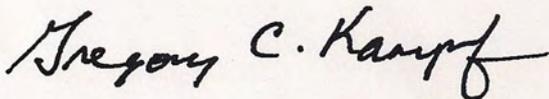
The district feels pre-funding was not necessary because of the reasons stated in response to recommendation 2a.

Recommendation 3:

The recommendation has been implemented.

The district restricted overtime/compensatory time about three (3) year's ago to reduce the cost and/or liability for payment. The district does limit the amount of vacation that may be accrued and carried forward to the next fiscal year via the collective bargaining agreements for each employee association. The district has also made administration, employees, and union leadership, that vacation should be utilized during the fiscal year and not accrued for pay out. Because vacation is an employee right and thus negotiable, the district continues to work with the union leadership to reduce those costs.

Respectfully,



Gregory C. Kampf
Superintendent

Cc: Sheldon Smith, Asst. Supt. of Business Services
Peggi Arnold, Director of Fiscal Services