



Santa Maria Joint Union High School District

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February 27, 2012

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

Cc: Joni Gray, Chair, Santa Barbara County Board of Supervisors

RE: Response to Grand Jury Findings and Recommendations entitled "*Local Government Post-Employment Benefits in Santa Barbara County-Complicated and costly*"

Recommendation 1

The respondent disagrees wholly or partially with the findings.

Recommendation will not be implemented because it is not warranted or not reasonable.

This action is not within the scope of our district's capabilities or control. This information is not currently available to us. The Santa Maria Joint Union High School District is part of the schools statewide Cal PERS and Cal STRS 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 impact the employer contribution rate, and this unfunded liability is made available to the general public annually in the Cal PERS Comprehensive Annual Financial Report and the Cal STRS Comprehensive Annual Financial Report.

Recommendation 2a

The respondent agrees wholly or partially with the finding.

The recommendation has 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 budgets annually for contracted post-employment benefits. Negotiated post-employment benefits are limited to age 65 or upon eligibility of Federal or State insurance, whichever comes first. Additionally, retirees must have

had health insurance prior to retirement to be eligible to receive health insurance for a contractually defined period, up to a maximum of 10 years.

Recommendation 2b

The respondent agrees partially with the finding.

The recommendation has not been implemented.

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

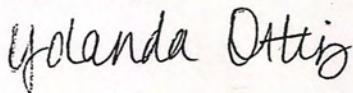
Recommendation 3

The respondent disagrees wholly or partially with the finding.

The recommendation will not be implemented because it is not warranted or is not reasonable.

The Santa Maria Joint Union High School District carries an annual liability of approximately \$361,000 for compensated absences. This is not a material amount when you reference the total for all governmental expenditures of the district which was \$73 million dollars at fiscal year ending June 30, 2011. Contractually, vacation earned must be taken within 24 months of accrual. The district does not see the necessity in reducing compensated absences liability.

Respectfully,



Yolanda Ortiz

Associate Superintendent

On behalf of Dr. Doug Kimberly, Superintendent