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March 22, 2023

The Honorable Dave Cortese Chair, Senate Labor, Public Employment, and Retirement Committee 1021 O St., Ste. 6630 Sacramento, CA 95814

RE: SUPPORT, SB 548 (Niello) Public employees' retirement: joint county / trial court contracts

Dear Chairman Cortese,

On behalf of the Solano County Board of Supervisors, I write in support of SB 548, which provides a permissive option for interested courts and counties to establish a separate CalPERS contract for the court employees.

In 1997, the State took action to move all facets of the "courts" from the purview of the counties and separate them operationally, financially, and organizationally. The very last piece that has yet to be separated from the county (20+ years later) is the court employees' presence in the county's CalPERS retirement plans which includes the related pension liability.

This entanglement in the same retirement plan prevents counties (and courts) from prepaying pension liabilities for their respective employees, which would benefit all parties involved; requires CalPERS counties to enter into MOUs with the courts to ensure the courts are paying their fair share of the unfunded pension liability, especially when compensation and benefits are being negotiated, new laws are enacted and when new accounting standards are implemented; hinders the counties ability to issue pension obligation bonds.

SB 548 simply provides a mechanism for those counties/courts, who are interested, to move forward with completing the work that began in the late 1990's. It provides a voluntary and permissive path when willing participants at the local level decide to separate. For these reasons, Solano County is pleased to support SB 548.

Sincerely,

John M. Vasquez, Chair

Solano County Board of Supervisors

CC:

The Honorable Bill Dodd, Senator

The Honorable Lori D. Wilson, Assemblymember

The Honorable Roger Niello, Senator

Members, Senate Labor, Public Employment, and Retirement Committee

The Honorable Solano County Board of Supervisors

Phyllis Taynton, Solano County Auditor-Controller

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