

# County of Monterey



## Board of Supervisors

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September 20, 2023

The Honorable Gavin Newsom  
Governor  
State of California  
1020 N Street, Suite 9000  
Sacramento, Ca 95814

**Re: SB 548 (Niello) Public employees' retirement: joint county and trial court contracts. –  
REQUEST FOR SIGNATURE**

Dear Governor Newsom:

The County of Monterey is pleased to support Senate Bill (SB) 548 by Senator Roger Niello and requests your signature on this measure. This bill 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 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:

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

SB 548 would simply provide a mechanism for those counties/courts, who are interested, to move forward with completing the work that began in the late 1990's. It is voluntary and permissive; and would only be triggered when there are willing participants at the local level. SB 548 is necessary to direct how the separation will work and the separation is not possible without new Code.

This bill ensures that employee benefits remain protected by requiring the retirement benefit levels provided to employees under the joint contract not be modified until after expiration of an existing memorandum of understanding or agreement or a period of 24 months, whichever is longer, unless the

county and its recognized employee organizations or the trial court and its recognized employee organizations mutually agree to a modification. In sum, this bill puts the final piece in place to the court transition program that started over 30 years ago and helps make accurate pension obligation reporting more efficient for counties and courts.

For these reasons, the County of Monterey pleased to support SB 548 and requests your signature on this important measure. Should you have any questions, please feel free to contact the County's Public Policy Advisor, Ashley Walker of Nossaman LLP at 916-442-8888.

Sincerely,



**LUIS A. ALEJO**

Chair, Board of Supervisors

Cc: The Honorable Senator Roger Niello, Author  
Jessica Devencenzi, Deputy Legislative Secretary, Office of Governor Gavin Newsom  
The Honorable Anna Caballero, 14<sup>th</sup> Senate District  
The Honorable John Laird, 17<sup>th</sup> Senate District  
The Honorable Robert Rivas, 29<sup>th</sup> Assembly District  
The Honorable Dawn Addis, 30<sup>th</sup> Assembly District  
California State Association of Counties  
Rural Counties Representatives of California