

Tamalpais Union High School District

395 Doherty Drive, Larkspur, CA 94939 | 415-945-1000 | <https://www.tamdistrict.org/>

November 14, 2017

The Honorable Kelly V. Simmons
Marin County Superior Court
P.O. Box 4988
San Rafael, CA 94913-4988

Jay Hamilton-Roth, Foreperson
Marin County Civil Grand Jury
3501 Civic Center Drive, Room #275
San Rafael, CA 94903

Dear Judge Simmons and Mr. Hamilton-Roth:

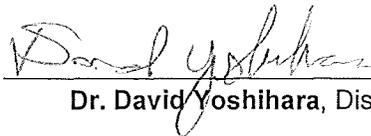
Attached please find the response requested by the 2016-2017 Marin County Civil Grand Jury from the Tamalpais Union High School District (TUHSD) Board to the recommendations and findings from the report **"Marin's Retirement Health Care Benefits – The Money Still Isn't There."**

Thank you for your continued interest in and support of our public schools.

Sincerely,



Laura Anderson - President, District Board of Trustee



Dr. David Yoshihara, District Superintendent

FUNDING OTHER POST EMPLOYMENT BENEFITS

RECOMMENDATION #1— Each agency should adopt a formal, written policy for contributions to its Other Post-Employment Benefits (OPEB) plan.

DISTRICT'S RESPONSE:

The recommendation has not yet been implemented.

Tamalpais Union High School District (The District) follows the California School Board Association board policy recommendations. The District does have Board Policy (BP) 4154 which requires "The District may provide health and welfare benefits for certificated and classified employees in bargaining units. Benefits will be provided in accordance with negotiated employee agreements." The District will update BP 4154 to include language on contributions to its OPEB plan at our school board meeting on January 9, 2018. The contributions are currently provided on a monthly basis, and the current OPEB plan is further iterated in the notes to the financial statements published with the District's annual audit.

RECOMMENDATION #2— Each agency's standard practice should be to consistently satisfy its formal, written OPEB contribution policy.

DISTRICT'S RESPONSE:

The recommendation has not yet been implemented.

When BP 4154 is updated, all contributions will satisfy it's formal, written, OPEB contribution policy.

RECOMMENDATION #3— Each agency's OPEB contribution policy and practice should support a projection under GASB 75 that its OPEB plan assets will be sufficient to make all projected OPEB benefit payments.

DISTRICT'S RESPONSE:

The recommendation has been implemented.

The District has established an irrevocable trust and is providing contributions such that its OPEB plan assets will be sufficient to make all projected OPEB benefit payments.

RECOMMENDATION #4— Each agency that uses special reserve funds for Postemployment Benefits should transition to a trust meeting the criteria of GASB 75.

DISTRICT'S RESPONSE:

The recommendation is not applicable.

The District has established an irrevocable trust and is providing contributions such that its OPEB plan assets will be sufficient to make all projected OPEB benefit payments.

FINANCIAL LITERACY, TRANSPARENCY and COMMUNICATION

RECOMMENDATION #5— Each term of service, elected or appointed officials of each agency should take a public agency financial class.

DISTRICT'S RESPONSE:

The recommendation has been implemented.

Some of the District's board members have participated in the Marin County Office of Education hosted "Masters in Governance" program facilitated by the California School Boards Association (CSBA) along with various other financial workshops and programs, such as those offered through Schools for Sound Finance. Board members annually receive training from CSBA, the Marin County Office of Education and other providers.

In addition, the District holds various annual Board of Education Budget Workshops and presentations including the Annual Adopted Budget, Unaudited Actuals, First Interim Report, and Second Interim Report. These workshops and presentations are open to the public, in which all budget components are reviewed, from enrollment projections to revenues and expenditures for the past, current and future years. The District recently implemented a Fiscal and Local Control Accountability Plan (LCAP) Advisory group. The Board of Trustees have held meetings on Long Range Facilities Planning.

RECOMMENDATION #6— Each agency should make its CAFRs, Audits, and GASB valuations more readily understandable by the general public.

DISTRICT'S RESPONSE:

The recommendation has been implemented.

The format and content of the annual audit is prescribed by standards set by the American Institute of Certified Public Accountants in accordance with generally accepted accounting principles (GAAP) set by the Governmental Accounting Standards Board (GASB). The report includes a Management Discussion and Analysis section where we provide information regarding our OPEB obligation and funding plan. Footnotes to the financial statements also provide significant supporting information that address our policies and practices with respect to OPEB. We also address OPEB in narratives to our school board and community that accompany budget reports that are provided three times each year. Similarly the OPEB actuarial study report is prepared in accordance with standards set by outside bodies. We present these reports to our Board and community, along with a narrative that describes the substance of the report and its implications for our District's financial plan to fund our OPEB obligation.

RECOMMENDATION #7— Each agency should ensure that all of its public financial presentations are more readily understandable and scheduled during hours convenient for the public.

DISTRICT'S RESPONSE:

The recommendation has been implemented.

The District's school board meetings are held at 6:00 PM, which provides opportunity for community members to attend and participate in discussions regarding any financial presentations. Our presentations are crafted towards the relative financial sophistication of all audience members, and staff is available at the meetings to answer questions.

Tamalpais Union High School District Response to Grand Jury

"Marin's Retirement Health Care Benefits —The Money Still Isn't There"

RECOMMENDATION #8 – Each agency should have the following downloadable and text-searchable documents readily accessible on their website: the last five years of CAFRs/Audits and the last three actuarial reports.

DISTRICT'S RESPONSE:

The recommendation has been implemented.

All audit and actuarial reports are loaded and available for viewing on our website at <https://www.tamdistrict.org/page/84>.

NEGOTIATIONS TO REDUCE OPEB OBLIGATIONS

Recommendation #9 – Before the next round of bargaining begins, each agency should prioritize the cost containment strategies to be used, including reducing or eliminating OPEB benefits for future employees.

DISTRICT'S RESPONSE:

The recommendation has been implemented.

The District's collective bargaining position with its workforce continues to address "Total Compensation," where total compensation is defined as salary, statutory benefits, pension, and health and welfare benefits.

Classified employees who have attained age 50 and completed 15 years of District service by June 30, 2016 are eligible to retire and receive District-paid health benefits. Classified employees who do not meet those requirements are eligible to retire and receive District-paid health benefits after attaining age 60 and completing at least 10 years of District service. The District pays 100% of the medical, dental and vision premiums for an eligible retiree and dependents until age 65, subject to an annual cap of the composite rates for Kaiser HMO, dental and vision coverages. The retiree may purchase coverage in excess of the cap by self-paying the extra premium. Retired employees with full-time equivalency (FTE) of at least 50% but less than 60% may receive 50% of the cap, and those with an FTE of at least 60% but less than 72.5% may receive 75% of the cap. Retired employees with FTE less than 50% are not eligible.

Certificated employees retiring after the 2011-12 school year who have attained age 60 and completed 10 years of District service (5 years if hired prior to January 18, 2000), and who have met the eligibility requirements to retire under CalPERS or CalSTRS, as applicable, are eligible to retire and receive District-paid health benefits. The District pays 100% of the medical, dental and vision premiums for an eligible retiree and dependents until age 65, subject to an annual cap of the composite rates for Kaiser HMO, dental and vision coverages. The retiree may purchase coverage in excess of the cap by self-paying the extra premium. Retired employees with full-time equivalency (FTE) of at least 60% may receive 100% of the cap. Those with an FTE of less than 60% are subject to a pro-rated cap.