



August 15, 2017

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

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

Re: Grand Jury Report: *The Budget Squeeze: How Will Marin Fund Its Public Employee Pensions*

Dear Judge Simmons and Foreperson Hamilton-Roth:

The following is provided in response to the Grand Jury Report: *The Budget Squeeze: How Will Marin Fund Its Public Employee Pensions*.

R3. Agencies should publish long-term budgets (i.e., covering at least five years), update them at least every other year and report what percent of total revenue they anticipate spending on pension contributions.

Marin Community College District (MCCD) currently produces a long term budget covering the current fiscal year plus three additional years for a four-year budget document. This practice is consistent with accreditation standards (Standard 3.D.), as prescribed by Accrediting Commission for Community and Junior Colleges (ACCJC). Marin Community College District also received a commendation for its budget forecasting, in its current form, by the ACCJC pursuant to its site visit during Spring 2017.

The current budget, and subsequent fiscal year budgets, are updated annually during the tentative budget process in May/June and again during the adopted budget process in August. The Board of Trustees reviews the current year plus the forecasted years annually. The current fiscal year and subsequent forecasted years are adopted during the August Board of Trustees monthly meeting as required by law.

R4. Each agency should provide 10 years of audited financial statements and summary pension data for the same period (or links to them) on the financial page of its public website.

Marin Community College District currently provides 10 years of audited financial statements on the website at <http://fiscal.marin.edu/fiscal-reports>

Summary pension data can be found in two sections of the tentative budget document for FY2017/18. On Page 13 of the budget assumptions, the expenditures for current/future years is presented. Also, on page 39, which shows a "public retirement breakdown" by each pension segment of the employee population.



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As part of the adopted budget for FY2017/18, MCCD will begin identifying pension data as a separate file and post to College of Marin's fiscal website for easier public review. This data will be available for the last 10 years by the end of August 2017.

R8. Public agencies and public employee unions should begin to explore how introduction of defined contribution programs can reduce unfunded liabilities for public pensions.

Marin Community College District currently has voluntary defined contribution plans for its employees. However, as members of CalPERS and CalSTRS, all employees are members of these pension programs.

Historically, MCCD has contributed funding to cover the employer and the employee portion of the pension costs associated with each employee. In the last round of negotiations with School Employees Internal Union (SEIU) and California School Employees Union (CSEA) which concluded in January and May 2017 respectively, MCCD and the unions negotiated the employee portion of pension cost (7%) to be absorbed by the employees. SEIU is being phased in over a 3-year period and CSEA will be phased in over 2 years. This phased in approach will reduce the fiscal liability to the District and taxpayers for the subsequent fiscal years and has been factored into our multi-year budget planning.

Do not hesitate to let me know if additional clarification is needed or desired.

Sincerely,

Diana Conti
President, Board of Trustees

David Wain Coon, Ed.D.
Superintendent/President