Superior Court
State of California
County of Lake
255 N. Forbes Street
Lakeport, California 95453
707-263-2374

STEPHEN O. HEDSTROM

PRESIDING JUDGE

KRISTA D. LeVIER

COURT EXECUTIVE/CLERK
JURY COMMISSIONER

July 24, 2014

Judicial Council of California
c/o Cliff Alumno
455 Golden Gate Avenue
San Francisco, CA 94102-3688

Delivered via email only to judicialcouncil@jud.ca.gov

Re: Allocation of New Benefits Funding
Item H: Recommendation Number 2

Dear Chief Justice and Judicial Council Members:

We write to ask that you support the recommendation of the Trial Court Budget Advisory Committee related to the allocation of $42.8 million new funding for benefit cost increases. It is important to point out that the decision before you today is how to allocate $42.8 million in new funding, not how to allocate reductions of $22.1 million in additional cuts.

The practice of paying all or a portion of the employee's share of retirement costs has been a long standing practice not only among trial courts, but among other governmental agencies as well. According to the materials for the Trial Court Budget Advisory Committee meeting of July 7, 2014, as of the 2013/14 Fiscal Year there were in fact 33 trial courts paying all or a portion of the employee's retirement costs. It should be noted that Lake is included in the 33 courts that paid employee retirement costs as of Fiscal Year 13/14. However, as of July 1, 2014, the court no longer pays any portion of employee retirement costs. Typically, these arrangements are the result of long standing labor agreements carried over from Counties, which cannot be changed overnight. There is nothing improper about this type of arrangement. There has been no policy direction from the Judicial Council directing courts to move away from this type of arrangement. The provisions of the California Public Employee Pension Reform Act of 2013 (PEPRA) related to cost sharing are not required to be implemented until 2018. In most instances, courts who pay a portion of retirement costs do so in lieu of some other type of benefit or lower salary rates. Approving one of the alternative options considered, but not recommended, by the TCBAC would amount to penalizing courts for a well established, accepted practice with virtually no notice or time to make budgetary adjustments. If our court was to receive the negative allocation contemplated in one of the alternative options reviewed by the TCBAC, it would certainly mean additional reductions in services to the public.

For the reasons outlined above, we again ask that you support the recommendation of the TCBAC to allocate the new benefits funding on a pro-rata basis.

Thank you for your time.

Sincerely,

Stephen O. Hedstrom

Stephen O. Hedstrom
Presiding Judge

Krista LeVier
Court Executive Officer