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May 5, 2023

The Honorable Anthony Portantino
Chair, Senate Appropriations Committee
California State Capitol, Room 412
Sacramento, CA 95814

**Re: SB 548 (Niello) Public employees' retirement: joint county and trial court contracts
As Amended April 24, 2023 - SUPPORT**

Dear Senator Portantino:

On behalf of the California State Association of Counties (CSAC), representing all 58 counties in the state, I write in support of Senate Bill (SB) 548 (Niello), which creates a voluntary option for interested counties and courts to establish a separate California Public Employment Retirement System (CalPERS) contract for court employees.

Since the late 1990s, the State Trial Court Funding Program has supported the statewide trial court system to adjudicate civil and criminal cases. Accordingly, the operational, financial, and organizational functions of the courts have been moved from counties to the state for over 25 years. One item that has yet to be separated is the court employees' presence in the county's CalPERS retirement plans, which includes the related pension liability. Including the employees in the same retirement plan creates a number of issues, such as:

- Preventing counties from prepaying pension liabilities for their respective employees, which would benefit both the counties and the courts;
- Requiring CalPERS counties to enter into Memorandums of Understanding with the courts to ensure the courts are paying their share of pension liabilities;
- Limiting opportunities for counties to issue pension obligation bonds.

SB 548 (Niello) provides an optional mechanism for counties and the courts, provided there is mutual agreement, to elect to separate their joint CalPERS contracts into individual contracts. SB 548 will direct how the separation will work and is voluntary and permissive.

For the aforementioned reasons, we support SB 548 and urge the Committee to move forward on this important issue. Should you have any questions, please contact me at kdean@counties.org.

Sincerely,

Kalyn M. Dean
Legislative Advocate

cc: Senator Roger Niello, 6th Senate District
Calvin Rusch, Legislative Director, Senator Roger Niello's Office
Members and Staff, Senate Appropriations Committee