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January 9, 2012

The Honorable Curt Hagman  
Member, State Assembly,  
Room 4130, State Capitol  
Sacramento, CA 95814

**RE: Assembly Bill 738 As Amended January 5th – Strong Concerns**

Dear Assembly Member Hagman:

On behalf of the thirty-one member counties of the Regional Council of Rural Counties (RCRC), we offer our strong concerns with your Assembly Bill 738, which would prevent an elected official who is not deemed “full time” from participating in a public retirement system.

RCRC represents the members of the Boards of Supervisors from our thirty-one member counties. Although nearly all of these supervisors are compensated, that compensation is at very modest levels. With that compensation comes the opportunity to participate in either CalPERS or their county’s respective retirement system. Given the modest levels of salaries that rural county supervisors earn, the level of pension benefits one can earn is equally as modest. However, being a supervisor in a small county is considered “part-time” and requires additional employment beyond compensation from a county, these positions involve more than 40 hours a week. While being an elected position, the work of a rural county supervisor is in line with the work of other county employees, and therefore these elected positions should be able to access the county’s retirement plan.

Unfortunately, our understanding of the recent amendments to the bill has the practical effect of precluding county supervisors and other public office holders in small counties from having the opportunity to participate in a county’s pension plan as part of their compensation for serving on the Board of Supervisors. This understanding stems from the classification of “full time” status. Under the measure, we assume elected sheriffs, district attorneys, supervisors from large-population counties could easily meet the bill’s definition. However, small county supervisors (and other officeholders) could not, particularly with the definition of full time status that “prohibits any outside employment that would interfere with those duties.” As mentioned, nearly every county supervisor in an RCRC member county receives a very modest salary and many must rely on further employment to make a living.

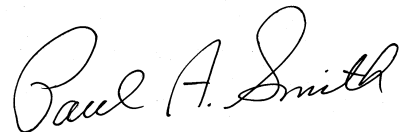
It should be noted that current law requires the compensation levels of a member of the county Board of Supervisors be set by an ordinance and that ordinance must be adopted at a public meeting with more than adequate public notice or a vote of the people. As such, a county's voters and taxpayers have the opportunity to question the appropriate level of compensation, including retirement benefits, which a county supervisor can obtain in the course of their service.

On a final note, we are concerned with an aspect of the bill is the "designation" issue. The bill requires designation by statute to allow an entity to be "full time" status and thus be eligible for pension. We do not believe it is wise or practical to have each county's board of supervisors or other elected county personnel to come before the Legislature for such designation.

In closing, we do believe there may be room for a public policy discussion about some individuals that serve in very limited public office roles with respect to their compensation. However, as currently crafted, we are concerned about the impacts the current approach in AB 738 would have on small counties. If the measure moves forward in its current form, it is likely RCRC will need to adopt an "Oppose" position. In the meantime, we stand ready to work with you and your staff on that discussion.

If you have any questions or concerns regarding our concerns, please do not hesitate to contact me at 916-447-4806.

Sincerely

A handwritten signature in cursive script that reads "Paul A. Smith".

PAUL A. SMITH  
Senior Legislative Advocate

cc: Members of the Assembly Public Employees, Retirement & Social Security Committee