



RURAL COUNTY REPRESENTATIVES
OF CALIFORNIA

April 23, 2018

The Honorable Freddie Rodriguez
California State Assembly
State Capitol, Room 2188
Sacramento, CA 95814

**RE: Assembly Bill 1912 – OPPOSE
As Amended April 19, 2018**

Dear Assembly Member Rodriguez:

On behalf of the Rural County Representatives of California (RCRC), I write to respectfully inform you of our opposition to your recently-amended Assembly Bill 1912, relating to public employees' retirement joint powers agreements (JPAs). RCRC is an association of thirty-five rural California counties, and the RCRC Board of Directors is comprised of elected supervisors from those member counties.

As you know, current law establishes various public agency retirement systems where each system provide defined pension benefits to public employees based on age, service credit, and amount of final compensation. The partnership between two or more local or state agencies allows JPAs to jointly address public needs and provide services by combining resources and reducing costs. JPAs are particularly useful for rural counties, as they allow for economies of scale and regional solutions for our communities.

AB 1912, among other provisions, specifies that if an agency to an existing or future JPA participates in a public retirement system, all parties, both current and former to the agreement, would be jointly and severally liable for all obligations to the retirement system,

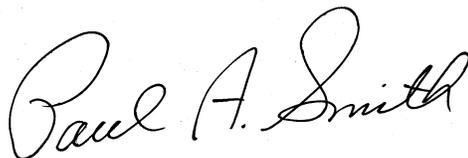
RCRC is opposed to your AB 1912. Under AB 1912, if a JPA agency participates in a public retirement system, all parties, both current and former to the agreement, would be jointly and severally liable for all obligations to the retirement system. By applying joint several liability, debts would rise dramatically, and in many cases will exceed a county's annual revenue. AB 1912 could have dire financial consequences for California's rural counties that are already struggling to meet spiraling pension obligations. AB 1912 would open the door to significant liability on local governments, threaten the ability to use JPAs, and put hundreds JPAs over their debt limit.

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If you should have any questions or concerns regarding RCRC's opposition to AB 1912, please do not hesitate to contact me at (916) 447-4806.

Sincerely,

A handwritten signature in black ink that reads "Paul A. Smith". The signature is written in a cursive style with a large, looping initial "P".

PAUL A. SMITH
Vice President Governmental Affairs

cc: Members of the Assembly Judiciary Committee
Consultant, Assembly Judiciary Committee
Paul Dress, Consultant, Assembly Republican Caucus