



Rio

School District

Sherianne Cotterell

Superintendent

November 18, 2010

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VENTURA COUNTY
GRAND JURY

Don Cody, Ed.D. Chair
Grand Jury Review Committee
Ventura County Grand Jury
800 S. Victoria Ave.
Ventura, CA 93001

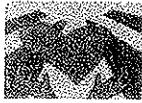
Dear Mr. Cody,

Attached is a copy of the original response that was sent to you on August 20, 2010. We apologize for any inconvenience this may have caused.

Sincerely,

Sonia Cervantez
Executive Assistant to the Superintendent

cc: Tim Blaylock, President of the Board, Rio School District
Mark Krueger, Assistant Superintendent of Business Services



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Superintendent

August 20, 2010

Ventura County Grand Jury
800 S. Victoria Ave.
Ventura, CA 93001

To Whom It May Concern:

In response to your request to respond to Recommendations from the Ventura County Grand Jury Final Report Dated June 11, 2010 be advised as follows:

Recommendation R-01. The Rio School District ("District") complied with the mandates of GASB Statement 45 and contracted for an actuarial study to be performed by Segal Company in 1997. Pursuant to the recommendations in that report, the District has been paying an annual amount into a Special Fund for Retiree Benefits, (segregated from other district funds) which was calculated to level fund retiree health benefits over a 20-year period. The District does not believe an irrevocable trust fund is a necessary vehicle for maintenance of those funds.

Recommendation R-02. The District agrees that in the current economic environment, identification of effective cost reductions is an important goal in order that the District may continue to meet its fiscal obligations. The District has expended considerable time and effort to achieve significant reductions in expenditures to address the devastating cuts to its funding.

Recommendation R-03. The District agrees that economies of scale can benefit participants and in fact, is a member of the Coastal School Employee Benefits Organization. While medical benefits for District employees are subject to collective bargaining with employee groups and cannot be modified unilaterally, should more economically priced plans become available while providing the same or comparable coverage's, the District would be willing to investigate such plans along with representatives from its employee groups.

Recommendation R-04. The District concurs in part and meets the reporting requirements of the State of California, the Superintendent of Public Instruction, and the Governmental Accounting Standards Board, by providing improved information about the cost of providing post-employment benefits.

Recommendation R-05. Although the District concurs with the importance of keeping the public informed, especially during this period of economic crisis in our public schools, it does not believe publishing the budget documents required by the Superintendent of Public Instruction would accomplish that laudable goal. The current format of those budget documents is not easily understood by the public and the expense to digitize the hundreds of pages that make up the budget package would involve a huge expense with little corresponding benefit. However, in its efforts to provide pertinent budget information to the public, the District compiled a lengthy question and answer document regarding information on the District's budget that had been

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developed as a result of many meetings of the District's Budget Advisory Committee conducted over several months and placed it on its website. This Q & A document kept a running record of questions asked by teachers, employees and members of the public about the District's financial position, budget planning and how it expects to reduce expenses in order to weather the cuts in education funding.

Recommendation R-06. The District agrees in substance and as part of its agreement with its employee groups, formed a Retiree Fund Oversight Committee that is contractually bound to meet at least once each 6 months to review expenditures and interest growth in the Retiree Benefit Fund, and to review any actuarial studies. In addition, the District conducts numerous budget study sessions with the District's Governing Board, which are open to the public, and also meets with the Budget Advisory Committee during the development of its annual budget. OPEB issues are included in the discussions with the various stakeholders and in the District's budget and financial statements.

Recommendation R-07. The District agrees with the recommendation and in fact took steps in 1997 to have an actuarial study performed and at that time established a Retiree Benefit Fund to which the District contributes each year in order to have sufficient funds to level fund retiree benefits within 20 years.

Recommendation R-08. The District agrees with recommendation R-08 but is constrained by the collective bargaining process which is mandated by law. Collective Bargaining Agreements are binding on the District and on the respective employee groups. Changes or modifications to the benefits of those groups must be negotiated and agreed to by them. Consequently, changes may not be made unilaterally, but only through the collective bargaining process. The District agrees that the only way to reduce costs to the District (because health insurance and benefit costs are not expected to decline) is to limit payment for benefits by either a cap or employee contribution.

Sincerely,

Sherianne Cotterell
Superintendent

cc: Tim Blaylock, Board President, Rio School District
Mark Krueger, Assistant Superintendent of Business Services

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