CHEIRON Classic Values, Innovative Advice

Santa Barbara County Employees' Retirement System

GASB 67/68 Report as of June 30, 2024

Produced by Cheiron

October 2024

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Via Electronic Mail

October 8, 2024

Board of Retirement
Santa Barbara County Employees' Retirement System
130 Robin Hill Road, Suite 100
Goleta, CA 93117

Dear Members of the Board:

The purpose of this report is to provide accounting and financial reporting information under GASB 67 for the Santa Barbara County Employees' Retirement System (SBCERS) and under GASB 68 for participating employers. This information includes:

- Determination of the discount rate as of June 30, 2024,
- Projection of SBCERS's Total Pension Liability from the valuation date to the measurement date,
- Note disclosures and required supplementary information under GASB 67 for SBCERS,
- Determination of collective amounts under GASB 68, and
- Schedules for the financial reporting of participating employers under GASB 68.

If you have any questions about the report or would like additional information, please let us know.

Sincerely,
Cheiron

Anne D. Harper, FSA, EA, MAAA
Principal Consulting Actuary

Graham A. Schmidt, FSA, EA, MAAA, FCA
Principal Consulting Actuary

SECTION I – BOARD SUMMARY

Highlights

The measurement date for the Santa Barbara County Employees' Retirement System (SBCERS) is June 30, 2024. Measurements are based on the fair value of assets as of June 30, 2024 and the Total Pension Liability as of the valuation date, June 30, 2023, updated to June 30, 2024. To the best of our knowledge, there were no significant events between the valuation date and the measurement date, so the update procedures only include the addition of service cost and interest cost offset by actual benefit payments.

The table below provides a summary of the key collective results during this measurement period.

Table I-1
Summary of Collective Results

	Measurement Date	
	6/30/2024	6/30/2023
Net Pension Liability	$ 671,824,161	$ 762,778,583
Deferred Outflows	(72,257,642)	(89,125,556)
Deferred Inflows	33,203,535	5,937,116
Net Impact on Statement of Net Position	$ 632,770,054	$ 679,590,143
Pension Expense ($ Amount)	$ 123,332,551	$ 133,633,951
Pension Expense (% of Payroll)	28.02%	32.42%

The Net Pension Liability (NPL) decreased by approximately $91 million since the prior measurement date primarily due to contributions and favorable investment experience, which were partially offset by differences between expected and actual liability experience. The investment gain is recognized over five years, and the actuarial liability gain is recognized over the average remaining service life as of the beginning of the measurement period, which is also five years. Unrecognized amounts are reported as deferred inflows and deferred outflows.

As of the end of the reporting year, the participating employers in SBCERS would report a Net Pension Liability (TPL) of $671,824,161, collective Deferred Inflows of $33,203,535, and collective Deferred Outflows of $72,257,642. Consequently, the net impact on the aggregate of participating employers' Statements of Net Position due to SBCERS would be $632,770,054 at the end of the measurement year. In addition, any contributions between the measurement date and each individual employer's reporting date would be reported as deferred outflows to offset the cash outflow reported.

For the measurement year ending June 30, 2024, the collective annual pension expense is $123,332,551 or 28.02% of covered payroll. This amount is not related to participating employers' contributions to SBCERS ($170,152,640), but instead represents the change in the

SECTION I – BOARD SUMMARY

net impact on participating employer's Statements of Net Position plus employer contributions ($632,770,054 – $679,590,143 + $170,152,640).

The collective pension expense of $123 million is about $10 million less than the collective expense for the prior year. Volatility in pension expense from year to year is to be expected. It will largely be driven by investment gains or losses, but other changes can also have a significant impact. A breakdown of the components of the net pension expense is shown in Table VI-5.

SECTION II – CERTIFICATION

The purpose of this report is to provide accounting and financial reporting information under GASB 67 for the Santa Barbara County Employees' Retirement System (SBCERS) and under GASB 68 for the employers that participate in SBCERS. This report is for the use of SBCERS, the participating employers, and their auditors in preparing financial reports in accordance with applicable law and accounting requirements. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user. This report is not appropriate for other purposes, including the measurement of funding requirements for SBCERS.

In preparing our report, we relied on information (some oral and some written) supplied by SBCERS. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and, changes in plan provisions or applicable law.

Cheiron utilizes ProVal, an actuarial valuation application leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this report.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

Anne D. Harper, FSA, EA, MAAA
Principal Consulting Actuary

Graham A. Schmidt, FSA, EA, MAAA, FCA
Principle Consulting Actuary

SECTION III – DETERMINATION OF DISCOUNT RATE

The discount rate used to measure the Total Pension Liability was 7.00%.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will continue to be made at the required rates. Employer contributions were assumed to be made in accordance with the contribution policy in effect for the June 30, 2023 actuarial valuation. That policy includes contributions equal to the actuarially determined contribution, reflecting a payment equal to the employers' share of the annual normal cost, a portion of the expected administrative expenses, an amortization payment for the creation of Safety Plan 6 over a closed period (five years remaining as of the June 30, 2023 actuarial valuation), and an amount necessary to amortize the Unfunded Actuarial Liability as of June 30, 2013 as a level percentage of payroll over a closed period (seven years remaining as of the June 30, 2023 actuarial valuation). Changes in the Unfunded Actuarial Liability established after June 30, 2013 are amortized over separate 19-year closed periods, reflecting a five-year ramp-up and a four-year ramp-down in the amortization payment.

We have not performed a formal cash flow projection as described under Paragraph 41 of GASB Statement 67. However, Paragraph 43 allows for alternative methods to confirm the sufficiency of the Net Position if the evaluations "can be made with sufficient reliability without a separate projection of cash flows into and out of the pension plan…" In our professional judgment, adherence to the actuarial funding policy described above will result in the pension plan's projected Fiduciary Net Position being greater than or equal to the benefit payments projected for each future period.

Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

SECTION IV – PROJECTION OF TOTAL PENSION LIABILITY

The Total Pension Liability (TPL) at the end of the measurement year, June 30, 2024 is measured as of a valuation date of June 30, 2023 and projected to June 30, 2024.

There are no significant events during the projection period of which we are aware. Because the TPL shown in the prior report was measured as of June 30, 2022 and projected to June 30, 2023, the TPL from the prior report will not match the amounts measured as of June 30, 2023 that are shown in this exhibit.

The table below shows the projection of the TPL at discount rates equal to the rate used for disclosure and plus and minus 1% from the rate used for disclosure.

Table IV-1
Projection of Collective Total Pension Liability from Valuation to Measurement Date

Discount Rate	6.00%	7.00%	8.00%
Valuation Collective Total Pension Liability, 6/30/2023			
Actives	$ 1,855,578,780	$ 1,554,015,611	$ 1,312,458,531
Deferred Vested	227,341,202	188,427,753	158,422,601
Retirees	3,515,763,755	3,180,480,390	2,897,618,627
Total	**$ 5,598,683,737**	**$ 4,922,923,754**	**$ 4,368,499,759**
Service Cost	118,859,411	92,106,102	72,281,823
Benefit Payments	253,056,450	253,056,450	253,056,450
Interest	331,953,755	339,066,676	342,388,105
Collective Total Pension Liability, 6/30/2024	**$ 5,796,440,453**	**$ 5,101,040,082**	**$ 4,530,113,237**

SECTION V – GASB 67 REPORTING INFORMATION

Note Disclosures

The table below shows the changes in the Total Pension Liability, the Plan Fiduciary Net Position (i.e., fair value of System assets), and the Net Pension Liability during the measurement year.

Table V-1
Change in Collective Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2023	$ 4,894,868,588	$ 4,132,090,005	$ 762,778,583
Changes for the year:			
Service cost	92,106,102		92,106,102
Interest	337,102,815		337,102,815
Changes of benefits	0		0
Differences between expected and actual experience	30,019,027		30,019,027
Changes of assumptions	0		0
Contributions - employer		170,152,640	(170,152,640)
Contributions - member		41,630,797	(41,630,797)
Net investment income		345,080,693	(345,080,693)
Benefit payments	(253,056,450)	(253,056,450)	0
Administrative expense		(6,681,764)	6,681,764
Net changes	206,171,494	297,125,916	(90,954,422)
Balances at 6/30/2024	$ 5,101,040,082	$ 4,429,215,921	$ 671,824,161

During the measurement year, the collective NPL decreased by approximately $91 million. The service cost, interest cost, and administrative expense increased the collective NPL by approximately $436 million while contributions and investment income decreased the collective NPL by approximately $557 million.

There were no changes in benefits during the year. There were Actuarial Liability experience losses during the year of approximately $30 million.

SECTION V – GASB 67 REPORTING INFORMATION

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. The table below shows the sensitivity of the collective NPL to the discount rate.

Table V-2
Sensitivity of Collective Net Pension Liability to Changes in Discount Rate

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Total Pension Liability	$ 5,796,440,453	$ 5,101,040,082	$ 4,530,113,237
Plan Fiduciary Net Position	4,429,215,921	4,429,215,921	4,429,215,921
Collective Net Pension Liability	$ 1,367,224,532	$ 671,824,161	$ 100,897,316
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.4%	86.8%	97.8%

A 1% decrease in the discount rate increases the TPL by approximately 14% and increases the collective NPL by approximately 104%. A 1% increase in the discount rate decreases the TPL by approximately 11% and decreases the collective NPL by approximately 85%.

SECTION V – GASB 67 REPORTING INFORMATION

Required Supplementary Information

The schedules of Required Supplementary Information show 10 years of information. The schedule below shows the changes in collective NPL and related ratios required by GASB.

Table V-3
Schedule of Changes in Collective Net Pension Liability and Related Ratios

	FYE 2024	FYE 2023	FYE 2022	FYE 2021	FYE 2020
Total Pension Liability					
Service cost (MOY)	$ 92,106,102	$ 88,053,265	$ 87,648,293	$ 74,649,576	$ 82,913,658
Interest (includes interest on service cost)	337,102,815	325,284,242	308,020,757	294,307,928	279,193,137
Changes of benefit terms	0	0	0	0	0
Differences between expected and actual experience	30,019,027	(4,165,132)	(2,203,764)	30,956,706	39,324,612
Changes of assumptions	0	76,452,345	0	19,124,517	(7,455,037)
Benefit payments, including refunds of member contributions	(253,056,450)	(231,955,957)	(215,316,423)	(205,659,096)	(195,646,596)
Net change in total pension liability	**$ 206,171,494**	**$ 253,668,763**	**$ 178,148,863**	**$ 213,379,631**	**$ 198,329,774**
Total pension liability - beginning	**4,894,868,588**	**4,641,199,825**	**4,463,050,962**	**4,249,671,331**	**4,051,341,557**
Total pension liability - ending	**$ 5,101,040,082**	**$ 4,894,868,588**	**$ 4,641,199,825**	**$ 4,463,050,962**	**$ 4,249,671,331**
Plan fiduciary net position					
Contributions - employer	$ 170,152,640	$ 157,306,924	$ 161,387,880	$ 150,093,122	$ 141,584,585
Contributions - member	41,630,797	38,521,772	36,564,382	35,520,188	31,618,487
Net investment income	345,080,693	277,784,851	(70,529,939)	822,707,406	24,764,652
Benefit payments, including refunds of member contributions	(253,056,450)	(231,955,957)	(215,316,423)	(205,659,096)	(195,646,596)
Administrative expense	(6,681,764)	(6,410,180)	(6,162,065)	(5,694,827)	(6,523,218)
Net change in plan fiduciary net position	**$ 297,125,916**	**$ 235,247,411**	**$ (94,056,165)**	**$ 796,966,794**	**$ (4,202,090)**
Plan fiduciary net position - beginning	**4,132,090,005**	**3,896,842,594**	**3,990,898,759**	**3,193,931,965**	**3,198,134,055**
Plan fiduciary net position - ending	**$ 4,429,215,921**	**$ 4,132,090,005**	**$ 3,896,842,594**	**$ 3,990,898,759**	**$ 3,193,931,965**
Net pension liability - ending	**$ 671,824,161**	**$ 762,778,583**	**$ 744,357,232**	**$ 472,152,204**	**$ 1,055,739,366**
Plan fiduciary net position as a percentage of the total pension liability	86.83%	84.42%	83.96%	89.42%	75.16%
Covered payroll	$ 440,151,528	$ 412,151,455	$ 395,157,044	$ 387,643,812	$ 373,128,834
Net pension liability as a percentage of covered payroll	152.63%	185.07%	188.37%	121.80%	282.94%

SECTION V – GASB 67 REPORTING INFORMATION

Table V-3
Schedule of Changes in Collective Net Pension Liability and Related Ratios

	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015
Total Pension Liability					
Service cost (MOY)	$ 76,925,229	$ 77,631,214	$ 77,134,575	$ 71,218,683	$ 70,056,133
Interest (includes interest on service cost)	267,007,517	256,693,981	250,123,638	241,733,937	231,804,221
Changes of benefit terms	0	0	0	0	0
Differences between expected and actual experience	23,496,946	(10,744,379)	(42,042,601)	(31,199,455)	(27,900,755)
Changes of assumptions	0	(29,738,803)	215,838,076	0	0
Benefit payments, including refunds of member contributions	(182,255,779)	(169,750,854)	(154,229,432)	(146,657,716)	(137,771,219)
Net change in total pension liability	**$ 185,173,913**	**$ 124,091,159**	**$ 346,824,256**	**$ 135,095,449**	**$ 136,188,380**
Total pension liability - beginning	**3,866,167,644**	**3,742,076,485**	**3,395,252,229**	**3,260,156,781**	**3,123,968,401**
Total pension liability - ending	**$ 4,051,341,557**	**$ 3,866,167,644**	**$ 3,742,076,485**	**$ 3,395,252,229**	**$ 3,260,156,781**
Plan fiduciary net position					
Contributions - employer	$ 133,707,646	$ 131,374,191	$ 121,990,986	$ 122,748,021	$ 123,612,352
Contributions - member	26,604,850	22,533,426	20,319,910	18,311,646	16,622,138
Net investment income	224,842,953	223,314,534	264,010,886	32,800,406	20,840,287
Benefit payments, including refunds of member contributions	(182,255,779)	(169,750,854)	(154,229,432)	(146,657,716)	(137,771,219)
Administrative expense	(6,784,124)	(6,350,670)	(5,732,988)	(5,192,807)	(4,404,342)
Net change in plan fiduciary net position	**$ 196,115,545**	**$ 201,120,626**	**$ 246,359,361**	**$ 22,009,549**	**$ 18,899,215**
Plan fiduciary net position - beginning	**3,002,018,510**	**2,800,897,884**	**2,554,538,523**	**2,532,528,974**	**2,513,629,759**
Plan fiduciary net position - ending	**$ 3,198,134,055**	**$ 3,002,018,510**	**$ 2,800,897,884**	**$ 2,554,538,523**	**$ 2,532,528,974**
Net pension liability - ending	**$ 853,207,502**	**$ 864,149,134**	**$ 941,178,601**	**$ 840,713,706**	**$ 727,627,806**
Plan fiduciary net position as a percentage of the total pension liability	78.94%	77.65%	74.85%	75.24%	77.68%
Covered payroll	$ 355,417,284	$ 344,511,724	$ 341,097,962	$ 328,934,766	$ 319,547,370
Net pension liability as a percentage of covered payroll	240.06%	250.83%	275.93%	255.59%	227.71%

SECTION V – GASB 67 REPORTING INFORMATION

The following schedule shows information on the Actuarially Determined Contribution (ADC) and related contributions.

Table V-4
Schedule of Collective Employer Contributions

	FYE 2024	FYE 2023	FYE 2022	FYE 2021	FYE 2020
Actuarially Determined Contribution	$ 170,152,640	$ 157,306,924	$ 161,387,880	$ 150,093,122	$ 141,584,585
Contributions in Relation to the Actuarially Determined Contribution	170,152,640	157,306,924	161,387,880	150,093,122	141,584,585
Contribution Deficiency/(Excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 440,151,528	$ 412,151,455	$ 395,157,044	$ 387,643,812	$ 373,128,834
Contributions as a Percentage of Covered Payroll	38.66%	38.17%	40.84%	38.72%	37.95%

	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015
Actuarially Determined Contribution	$ 133,707,646	$ 131,374,191	$ 121,990,986	$ 122,748,021	$ 123,612,352
Contributions in Relation to the Actuarially Determined Contribution	133,707,646	131,374,191	121,990,986	122,748,021	123,612,352
Contribution Deficiency/(Excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 355,417,284	$ 344,511,724	$ 341,097,962	$ 328,934,766	$ 319,547,370
Contributions as a Percentage of Covered Payroll	37.62%	38.13%	35.76%	37.32%	38.68%

SECTION V – GASB 67 REPORTING INFORMATION

The notes below summarize the key methods and assumptions used to determine the ADC for FYE 2024.

Notes to Schedule

Valuation Date	6/30/2022
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year.
Key Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial cost method	Entry Age
Asset valuation method	Market Value
Amortization method	As of the June 30, 2013 valuation, the Unfunded Actuarial Liability was amortized over a closed 17-year period as a level percentage of payroll, except for the Safety Plan 6 liability, which is amortized over a separate closed period (six years as of 2022). Effective with the June 30, 2014 valuation, any additional sources of UAL due to actuarial gains and losses, assumption changes, or method changes are amortized over a closed 19-year period, with five-year ramp up period at the beginning of the period, a four-year ramp down at the end of the period, and 10 years of level payments as a percentage of payroll.
Discount rate	7.00%, net of investment expenses
Amortization growth rate	3.00%
Price inflation	2.75%
Salary increase	3.00% plus merit component based on employee classification and years of service.
Mortality	Sex distinct Public General 2010 Above-Median Income and sex distinct Public Safety 2010 Above-Median Income Healthy Annuity Mortality Tables, with generational mortality improvements projected from 2010 using 80% of the Projections Scale MP-2020, without adjustment.

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2024 can be found in the June 30, 2022 actuarial valuation report.

SECTION VI – GASB 68 COLLECTIVE INFORMATION

Because SBCERS is a cost-sharing multiple-employer pension plan, all employers participating in SBCERS must reflect a portion of the collective Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows in their financial statements. This section develops the collective amounts that are allocated to participating employers.

The table below summarizes the current balances of collective Deferred Outflows and Deferred Inflows of resources along with the net recognition over the next five years and the total amount recognized thereafter.

Table VI-1
Schedule of Collective Deferred Inflows and Outflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 30,206,564	$ 2,964,071
Changes in assumptions	42,051,078	0
Net difference between projected and actual earnings on pension plan investments	0	30,239,464
Total	**$ 72,257,642**	**$ 33,203,535**

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Measurement year ended June 30:	
2025	(29,326,581)
2026	80,660,745
2027	(6,786,981)
2028	(5,493,076)
2029	0
Thereafter	$ 0

The tables on the following pages provide details on the current balances of deferred inflows and outflows of resources along with the recognition of each base for each of the current and following four years, as well as the total for any years thereafter.

SECTION VI – GASB 68 COLLECTIVE INFORMATION

Table VI-2
Recognition of Experience (Gains) and Losses

Experience Year	Recognition Period	Total Amount	Beginning Remaining Amount	Ending Remaining Amount	Recognition Year 2024	2025	2026	2027	2028	Thereafter
2024	5.0	$ 30,019,027	$ 30,019,027	$ 24,015,222	$ 6,003,805	$ 6,003,805	$ 6,003,805	$ 6,003,805	$ 6,003,807	$ 0
2023	4.0	(4,165,132)	(3,123,849)	(2,082,566)	(1,041,283)	(1,041,283)	(1,041,283)	0	0	0
2022	5.0	(2,203,764)	(1,322,258)	(881,505)	(440,753)	(440,753)	(440,752)	0	0	0
2021	5.0	30,956,706	12,382,683	6,191,342	6,191,341	6,191,342	0	0	0	0
2020	5.0	39,324,612	7,864,924	0	7,864,924	0	0	0	0	0
Deferred Outflows			50,266,634	30,206,564	20,060,070	12,195,147	6,003,805	6,003,805	6,003,807	0
Deferred (Inflows)			(4,446,107)	(2,964,071)	(1,482,036)	(1,482,036)	(1,482,035)	0	0	0
Net Change in Pension Expense			$ 45,820,527	$ 27,242,493	$ 18,578,034	$ 10,713,111	$ 4,521,770	$ 6,003,805	$ 6,003,807	$ 0

Table VI-3
Recognition of Assumption Changes

Change Year	Recognition Period	Total Amount	Beginning Remaining Amount	Ending Remaining Amount	Recognition Year 2024	2025	2026	2027	2028	Thereafter
2024	5.0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
2023	4.0	76,452,345	57,339,259	38,226,173	19,113,086	19,113,086	19,113,087	0	0	0
2022	5.0	0	0	0	0	0	0	0	0	0
2021	5.0	19,124,517	7,649,808	3,824,905	3,824,903	3,824,905	0	0	0	0
2020	5.0	(7,455,037)	(1,491,009)	0	(1,491,009)	0	0	0	0	0
Deferred Outflows			64,989,067	42,051,078	22,937,989	22,937,991	19,113,087	0	0	0
Deferred (Inflows)			(1,491,009)	0	(1,491,009)	0	0	0	0	0
Net Change in Pension Expense			$ 63,498,058	$ 42,051,078	$ 21,446,980	$ 22,937,991	$ 19,113,087	$ -	$ 0	$ 0

SECTION VI – GASB 68 COLLECTIVE INFORMATION

Table VI-4
Recognition of Investment (Gains) and Losses

Experience Year	Recognition Period	Total Amount	Beginning Remaining Amount	Ending Remaining Amount	Recognition Year 2024	2025	2026	2027	2028	Thereafter
2024	5.0	$ (57,484,423)	$ (57,484,423)	$ (45,987,538)	$ (11,496,885)	$ (11,496,885)	$ (11,496,885)	$ (11,496,885)	$ (11,496,883)	$ 0
2023	5.0	(6,469,501)	(5,175,601)	(3,881,701)	(1,293,900)	(1,293,900)	(1,293,900)	(1,293,901)	0	0
2022	5.0	349,083,361	209,450,017	139,633,345	69,816,672	69,816,672	69,816,673	0	0	0
2021	5.0	(600,017,854)	(240,007,141)	(120,003,570)	(120,003,571)	(120,003,570)	0	0	0	0
2020	5.0	198,108,043	39,621,607	0	39,621,607	0	0	0	0	0
Net Change in Pension Expense			$ (53,595,541)	$ (30,239,464)	$ (23,356,077)	$ (62,977,683)	$ 57,025,888	$ (12,790,786)	$ (11,496,883)	$ 0

SECTION VI – GASB 68 COLLECTIVE INFORMATION

The collective annual pension expense recognized by the participating employers can be calculated two different ways. First, it is the change in the amounts reported on the participating employers' Statements of Net Position that relate to SBCERS and are not attributable to employer contributions. That is, it is the change in collective NPL plus the changes in collective deferred outflows and inflows plus participating employer contributions.

Alternatively, annual pension expense can be calculated by its individual components. While GASB does not require or suggest the organization of the individual components shown in the table below, we believe it helps to understand the level and volatility of the collective pension expense.

Table VI-5
Calculation of Collective Pension Expense

	Measurement Year Ending 2024	2023
Change in Net Pension Liability	$ (90,954,422)	$ 18,421,352
Change in Deferred Outflows	16,867,914	(38,647,585)
Change in Deferred Inflows	27,266,419	(3,446,740)
Employer Contributions	170,152,640	157,306,924
Pension Expense	**$ 123,332,551**	**$ 133,633,951**
Pension Expense as % of Payroll	**28.02%**	**32.42%**
Operating Expenses		
Service cost	$ 92,106,102	$ 88,053,265
Employee contributions	(41,630,797)	(38,521,772)
Administrative expenses	6,681,764	6,410,180
Total	$ 57,157,069	$ 55,941,673
Financing Expenses		
Interest cost	$ 337,102,815	$ 325,284,242
Expected return on assets	(287,596,270)	(271,315,351)
Total	$ 49,506,545	$ 53,968,891
Changes		
Benefit changes	$ 0	$ 0
Recognition of assumption changes	21,446,980	21,446,982
Recognition of liability gains and losses	18,578,034	17,273,617
Recognition of investment gains and losses	(23,356,077)	(14,997,212)
Total	$ 16,668,937	$ 23,723,387
Pension Expense	**$ 123,332,551**	**$ 133,633,951**

SECTION VI – GASB 68 COLLECTIVE INFORMATION

Operating expenses are items directly attributable to the operation of the plan during the measurement year. Service cost less employee contributions represents the increase in employer-provided benefits attributable to the year, and administrative expenses are the cost of operating SBCERS for the year.

Financing expenses equal the interest on the Total Pension Liability less the expected return on assets. Since the discount rate is equal to the long-term expected return on assets, the financing expense is the interest on the Net Pension Liability, adjusted for cash flow timing.

The recognition of changes will drive most of the volatility in pension expense from year to year. It includes any changes in benefits made during the year and the recognized amounts due to assumption changes, gains or losses on the TPL, and investment gains or losses.

The total collective pension expense decreased from the prior year by about $10.3 million. The operating expenses increased by approximately $1.2 million while the financing expenses and recognition of the changes decreased by approximately $4.5 million and $7.0 million, respectively.

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

Proportionate Shares

GASB 68 requires that the proportionate share for each employer be determined based on the "employer's projected long-term contribution effort to the pension … as compared to the total projected long-term contribution effort of all employers …" Although not required as part of SBCERS's GASB 67 reporting requirements, SBCERS is following the advice of the AICPA and making a determination of each employer's proportionate share, which will be reviewed by SBCERS's auditor.

Proportionate shares for each participating employer are determined based on the ratio of each participating employer's assigned unfunded liability amortization payments to SBCERS during the measurement year to the sum of the actual unfunded liability amortization payments for all participating employers. Separate amortization rates are used for General, Safety, LAFCO, and APCD employees. In Table VII-1a on the next page, each employer's amortization share as of June 30, 2024 is determined by multiplying the actual pensionable payroll for the current fiscal year by the employer's amortization rate from the most recent actuarial valuation report (the report as of June 30, 2023). The same methodology was used for calculating proportionate shares as of June 30, 2023.

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

Table VII-1a
Determination of Employers' Proportionate Share (as of June 30, 2024)

Employer	Unfunded Liability Amortization Rate (from the June 30, 2023 Actuarial Valuation)			Pensionable Payroll			Amortization Share (Rate x Pay)	Proportionate Share
	Safety Plan 4 & 8	Safety Plan 6	General	Safety Plan 4 & 8	Safety Plan 6	General		
Santa Barbara County	33.38%	40.48%	22.85%	$ 83,799,113	$ 25,510,668	299,400,166	$ 106,711,801	92.9606%
Courts			22.85%	0	0	17,854,659	4,079,790	3.5541%
Carp-Summerland Fire	33.38%		22.85%	4,398,058	0	563,447	1,596,819	1.3910%
Air Pollution Control			36.10%	0	0	3,704,629	1,337,371	1.1650%
SBC Assoc of Govts			22.85%	0	0	2,640,536	603,363	0.5256%
Santa Maria Cemetery			22.85%	0	0	425,620	97,254	0.0847%
Summerland Sanitary			22.85%	0	0	342,020	78,152	0.0681%
Mosq Vector Mgmt			22.85%	0	0	486,642	111,198	0.0969%
Goleta Cemetery			22.85%	0	0	372,105	85,026	0.0741%
Oak Hill Cemetery			22.85%	0	0	218,543	49,937	0.0435%
Carpinteria Cemetery			22.85%	0	0	174,483	39,869	0.0347%
LAFCO			0.73%	0	0	260,838	1,904	0.0017%
Total				**$ 88,197,171**	**$ 25,510,668**	**$ 326,443,688**	**$ 114,792,484**	**100.0000%**

Table VII-1b
Determination of Employers' Proportionate Share (as of June 30, 2023)

Employer	Unfunded Liability Amortization Rate (from the June 30, 2022 Actuarial Valuation)			Pensionable Payroll			Amortization Share (Rate x Pay)	Proportionate Share
	Safety Plan 4 & 8	Safety Plan 6	General	Safety Plan 4 & 8	Safety Plan 6	General		
Santa Barbara County	32.81%	39.53%	23.34%	$ 78,189,423	$ 25,837,523	278,481,825	$ 100,865,181	92.9301%
Courts			23.34%	0	0	16,792,571	3,919,386	3.6110%
Carp-Summerland Fire	32.81%		23.34%	4,116,687	0	576,397	1,485,216	1.3684%
Air Pollution Control			35.52%	0	0	3,524,295	1,251,829	1.1533%
SBC Assoc of Govts			23.34%	0	0	2,415,788	563,845	0.5195%
Santa Maria Cemetery			23.34%	0	0	411,429	96,028	0.0885%
Summerland Sanitary			23.34%	0	0	372,425	86,924	0.0801%
Mosq Vector Mgmt			23.34%	0	0	464,007	108,299	0.0998%
Goleta Cemetery			23.34%	0	0	343,845	80,253	0.0739%
Oak Hill Cemetery			23.34%	0	0	191,444	44,683	0.0412%
Carpinteria Cemetery			23.34%	0	0	158,928	37,094	0.0342%
LAFCO			0.00%	0	0	274,869	0	0.0000%
Total				**$ 82,306,110**	**$ 25,837,523**	**$ 304,007,822**	**$ 108,538,738**	**100.0000%**

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below shows the proportionate share of the collective NPL (under three discount rates), the collective deferred outflows, the collective deferred inflows, and the collective pension expense allocated to each participating employer as of June 30, 2024.

Table VII-2
Schedule of Employers' Proportionate Share of Collective Amounts at June 30, 2024

Employer	Proportionate Share	Share of NPL @ 6.00%	Share of NPL @ 7.00%	Share of NPL @ 8.00%	Share of Deferred Outflows	Share of Deferred Inflows	Pension Expense
Santa Barbara County	92.9606%	1,270,980,128	624,531,771	93,794,750	67,171,138	30,866,205	114,650,679
Courts	3.5541%	48,592,527	23,877,303	3,585,992	2,568,109	1,180,087	4,383,362
Carp-Summerland Fire	1.3910%	19,018,093	9,345,074	1,403,482	1,005,104	461,861	1,715,556
Air Pollution Control	1.1650%	15,928,166	7,826,751	1,175,454	841,802	386,821	1,436,824
SBC Assoc of Govts	0.5256%	7,186,132	3,531,108	530,316	379,786	174,518	648,236
Santa Maria Cemetery	0.0847%	1,158,039	569,035	85,460	61,202	28,123	104,463
Summerland Sanitary	0.0681%	931,080	457,512	68,711	49,207	22,612	83,989
Mosq Vector Mgmt	0.0969%	1,324,841	650,998	97,769	70,018	32,174	119,509
Goleta Cemetery	0.0741%	1,013,113	497,822	74,765	53,543	24,604	91,389
Oak Hill Cemetery	0.0435%	594,743	292,244	43,890	31,432	14,444	53,650
Carpinteria Cemetery	0.0347%	474,427	233,123	35,011	25,073	11,522	42,796
LAFCO	0.0017%	23,243	11,421	1,715	1,228	564	2,097
Total	**100.0000%**	**$ 1,367,224,532**	**$ 671,824,161**	**$ 100,897,316**	**$ 72,257,642**	**$ 33,203,535**	**$ 123,332,551**

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The proportionate share allocated to each individual employer will change on each measurement date. The net effect of the change in proportion on the share of the collective NPL, collective deferred outflows, and collective deferred inflows allocated to each employer becomes a deferred outflow or inflow for that employer and is recognized over the average future working life of SBCERS's active and inactive members as of the beginning of the measurement period (five years).

Similarly, the difference between each employer's actual contributions and the employer's proportionate share of collective employer contributions becomes a deferred outflow or inflow for that employer and is recognized over the average future working life of SBCERS's active and inactive members (five years).

The table below shows the change in proportion and the impact of that change in proportion on the proportionate share of the collective NPL, collective deferred outflows, and collective deferred inflows. It also shows any contribution differences.

Table VII-3
Schedule of Employers' Changes in Proportion and Contribution Differences

	Proportionate Shares		Impact of Change in Proportion				Contributions		
Employer	6/30/2023	6/30/2024	Net Pension Liability	Deferred Outflows	Deferred Inflows	Net Effect	Actual	Proportionate Share	Difference
Santa Barbara County	92.9301%	92.9606%	$ 232,647	$ 27,183	$ (1,811)	$ 207,275	$ 157,949,690	$ 158,174,915	$ (225,225)
Courts	3.6110%	3.5541%	(434,021)	(50,712)	3,378	(386,687)	6,247,571	6,047,395	200,176
Carp-Summerland Fire	1.3684%	1.3910%	172,388	20,142	(1,342)	153,587	2,629,771	2,366,823	262,948
Air Pollution Control	1.1533%	1.1650%	89,245	10,428	(695)	79,512	1,692,285	1,982,278	(289,993)
SBC Assoc of Govts	0.5195%	0.5256%	46,529	5,437	(362)	41,455	888,180	894,322	(6,142)
Santa Maria Cemetery	0.0885%	0.0847%	(28,986)	(3,387)	226	(25,824)	145,012	144,119	893
Summerland Sanitary	0.0801%	0.0681%	(91,533)	(10,695)	712	(81,551)	122,894	115,874	7,020
Mosq Vector Mgmt	0.0998%	0.0969%	(22,121)	(2,585)	172	(19,708)	187,180	164,878	22,302
Goleta Cemetery	0.0739%	0.0741%	1,526	178	(12)	1,359	126,409	126,083	326
Oak Hill Cemetery	0.0412%	0.0435%	17,544	2,050	(137)	15,631	77,216	74,016	3,200
Carpinteria Cemetery	0.0342%	0.0347%	3,814	446	(30)	3,398	62,044	59,043	3,001
LAFCO	0.0000%	0.0017%	12,967	1,515	(101)	11,553	24,388	2,893	21,495
Total	**100.0000%**	**100.0000%**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 170,152,640**	**$ 170,152,640**	**$ 0**

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below shows the reconciliation of deferred outflows and inflows due to proportion changes for each participating employer from the prior measurement date to the current measurement date.

Table VII-4
Reconciliation of Deferred Outflows and Inflows Due to Proportion Change

	Deferred Outflows				Deferred Inflows			
Employer	6/30/2023	Current Year Net Effect	Recognition	6/30/2024	6/30/2023	Current Year Net Effect	Recognition	6/30/2024
Santa Barbara County	$ 1,268,139	$ 207,275	$ 1,000,584	$ 474,830	$ (835,733)	$ 0	$ (278,578)	$ (557,156)
Courts	1,210,496	0	403,499	806,998	(1,305,053)	(386,687)	(777,874)	(913,866)
Carp-Summerland Fire	267,616	153,587	129,978	291,226	(94,443)	0	(75,297)	(19,146)
Air Pollution Control	347,242	79,512	189,523	237,231	(796,733)	0	(552,422)	(244,311)
SBC Assoc of Govts	156,909	41,455	78,482	119,882	(150,199)	0	(68,277)	(81,922)
Santa Maria Cemetery	5,963	0	2,981	2,981	(32,499)	(25,824)	(18,978)	(39,346)
Summerland Sanitary	21,657	0	7,219	14,438	(121,187)	(81,551)	(69,491)	(133,247)
Mosq Vector Mgmt	53,480	0	20,399	33,081	(16,390)	(19,708)	(20,331)	(15,766)
Goleta Cemetery	38,393	1,359	13,290	26,462	(4,910)	0	(2,455)	(2,455)
Oak Hill Cemetery	14,411	15,631	9,150	20,891	0	0	0	0
Carpinteria Cemetery	3,670	3,398	2,241	4,827	(1,412)	0	(471)	(942)
LAFCO	85,934	11,553	45,277	52,209	(115,350)	0	(38,450)	(76,900)
Total	**$ 3,473,910**	**$ 513,770**	**$ 1,902,624**	**$ 2,085,056**	**$ (3,473,910)**	**$ (513,770)**	**$ (1,902,624)**	**$ (2,085,056)**

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below shows the reconciliation of deferred outflows and inflows due to contribution differences for each participating employer from the prior measurement date to the current measurement date.

Table VII-5
Reconciliation of Deferred Outflows and Inflows Due to Contribution Differences

	Deferred Outflows				Deferred Inflows			
Employer	6/30/2023	Current Year Difference	Recognition	6/30/2024	6/30/2023	Current Year Difference	Recognition	6/30/2024
Santa Barbara County	$ 0	$ 0	$ 0	$ 0	$ (474,231)	$ (225,225)	$ (239,009)	$ (460,447)
Courts	360,793	200,176	179,575	381,395	0	0	0	0
Carp-Summerland Fire	408,322	262,948	221,982	449,287	0	0	0	0
Air Pollution Control	0	0	0	0	(370,185)	(289,993)	(202,612)	(457,566)
SBC Assoc of Govts	12,530	0	7,237	5,293	0	(6,142)	(1,228)	(4,914)
Santa Maria Cemetery	1,049	893	939	1,003	(2,034)	0	(711)	(1,323)
Summerland Sanitary	9,555	7,020	4,739	11,836	(420)	0	(210)	(210)
Mosq Vector Mgmt	35,792	22,302	19,078	39,016	0	0	0	0
Goleta Cemetery	170	326	122	374	(2,196)	0	(908)	(1,288)
Oak Hill Cemetery	3,242	3,200	1,863	4,579	(2,293)	0	(764)	(1,529)
Carpinteria Cemetery	3,937	3,001	2,069	4,869	0	0	0	0
LAFCO	26,667	21,495	13,188	34,974	(10,698)	0	(5,349)	(5,349)
Total	**$ 862,057**	**$ 521,361**	**$ 450,792**	**$ 932,626**	**$ (862,057)**	**$ (521,361)**	**$ (450,792)**	**$ (932,626)**

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below summarizes the deferred outflows allocated to each employer for experience, assumption changes, investment returns, proportion changes, and contribution differences.

Table VII-6
Schedule of Employers' Deferred Outflows at June 30, 2024

Employer	Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference
Santa Barbara County	92.9606%	$ 28,080,203	$ 39,090,934	$ 0	$ 474,830	$ 0
Courts	3.5541%	1,073,571	1,494,537	0	806,998	381,395
Carp-Summerland Fire	1.3910%	420,173	584,930	0	291,226	449,287
Air Pollution Control	1.1650%	351,906	489,895	0	237,231	0
SBC Assoc of Govts	0.5256%	158,766	221,020	0	119,882	5,293
Santa Maria Cemetery	0.0847%	25,585	35,617	0	2,981	1,003
Summerland Sanitary	0.0681%	20,571	28,637	0	14,438	11,836
Mosq Vector Mgmt	0.0969%	29,270	40,747	0	33,081	39,016
Goleta Cemetery	0.0741%	22,383	31,160	0	26,462	374
Oak Hill Cemetery	0.0435%	13,140	18,292	0	20,891	4,579
Carpinteria Cemetery	0.0347%	10,482	14,592	0	4,827	4,869
LAFCO	0.0017%	514	715	0	52,209	34,974
Total	**100.0000%**	**$ 30,206,564**	**$ 42,051,078**	**$ 0**	**$ 2,085,056**	**$ 932,626**

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below summarizes the deferred inflows allocated to each employer for experience, assumption changes, investment returns, proportion changes, and contribution differences.

Table VII-7
Schedule of Employers' Deferred Inflows at June 30, 2024

Employer	Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference
Santa Barbara County	92.9606%	$ 2,755,418	$ 0	$ 28,110,787	$ 557,156	$ 460,447
Courts	3.5541%	105,346	0	1,074,741	913,866	0
Carp-Summerland Fire	1.3910%	41,230	0	420,631	19,146	0
Air Pollution Control	1.1650%	34,531	0	352,290	244,311	457,566
SBC Assoc of Govts	0.5256%	15,579	0	158,939	81,922	4,914
Santa Maria Cemetery	0.0847%	2,511	0	25,613	39,346	1,323
Summerland Sanitary	0.0681%	2,019	0	20,593	133,247	210
Mosq Vector Mgmt	0.0969%	2,872	0	29,302	15,766	0
Goleta Cemetery	0.0741%	2,196	0	22,407	2,455	1,288
Oak Hill Cemetery	0.0435%	1,289	0	13,154	0	1,529
Carpinteria Cemetery	0.0347%	1,029	0	10,493	942	0
LAFCO	0.0017%	50	0	514	76,900	5,349
Total	**100.0000%**	**$ 2,964,071**	**$ 0**	**$ 30,239,464**	**$ 2,085,056**	**$ 932,626**

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below shows the net amount of deferred outflows and inflows to be recognized by each participating employer in each of the next five years and the total thereafter.

Table VII-8
Schedule of Employers' Recognition of Deferred Outflows and Inflows at June 30, 2024

Employer	Recognition for Measurement Year Ending 2025	2026	2027	2028	2029	Thereafter
Santa Barbara County	$ (27,384,314)	$ 74,569,269	$ (6,312,808)	$ (5,109,986)	$ 0	$ 0
Courts	(1,155,562)	3,329,160	(278,518)	(232,532)	0	0
Carp-Summerland Fire	(94,604)	1,363,414	(11,100)	6,898	0	0
Air Pollution Control	(471,675)	689,264	(121,165)	(106,091)	0	0
SBC Assoc of Govts	(114,076)	408,103	(28,610)	(21,809)	0	0
Santa Maria Cemetery	(36,755)	53,523	(10,735)	(9,639)	0	0
Summerland Sanitary	(65,688)	23,277	(19,528)	(18,647)	0	0
Mosq Vector Mgmt	4,702	100,334	(6,058)	(4,804)	0	0
Goleta Cemetery	(11,784)	72,240	(4,692)	(3,733)	0	0
Oak Hill Cemetery	(4,244)	42,983	814	1,377	0	0
Carpinteria Cemetery	(6,750)	30,758	(1,075)	(626)	0	0
LAFCO	14,168	(21,580)	6,494	6,516	0	0
Total	**$ (29,326,581)**	**$ 80,660,745**	**$ (6,786,981)**	**$ (5,493,076)**	**$ 0**	**$ 0**

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below shows the calculation of the pension expense for each participating employer. The calculation is shown first as the sum of the proportionate share of the collective pension expense and the amounts recognized for proportion changes and contribution differences. The right side of the table shows the calculation as the sum of the changes in NPL and deferred amounts not attributable to contributions.

Table VII-9
Schedule of Employers' Pension Expense for the Measurement Year Ending June 30, 2024

Employer	Collective Pension Expense	Change in Proportion	Contribution Difference	Employer Pension Expense	Change in Employer: Net Pension Liability	Change in Employer: Deferred Outflows	Change in Employer: Deferred Inflows	Employer Contributions	Employer Pension Expense
Santa Barbara County	$ 114,650,679	$ 722,006	$ (239,009)	$ 115,133,676	$ (84,319,129)	$ 16,446,640	$ 25,056,476	$ 157,949,690	$ 115,133,676
Courts	4,383,362	(374,375)	179,575	4,188,562	(3,666,632)	1,033,112	574,511	6,247,571	4,188,562
Carp-Summerland Fire	1,715,556	54,681	221,982	1,992,219	(1,092,788)	149,915	305,321	2,629,771	1,992,219
Air Pollution Control	1,436,824	(362,899)	(202,612)	871,314	(970,374)	296,095	(146,692)	1,692,285	871,314
SBC Assoc of Govts	648,236	10,206	6,009	664,450	(431,527)	127,486	80,311	888,180	664,450
Santa Maria Cemetery	104,463	(15,996)	228	88,694	(106,024)	20,701	29,004	145,012	88,694
Summerland Sanitary	83,989	(62,272)	4,529	26,247	(153,473)	27,120	29,706	122,894	26,247
Mosq Vector Mgmt	119,509	68	19,078	138,655	(110,255)	36,105	25,626	187,180	138,655
Goleta Cemetery	91,389	10,835	(786)	101,438	(65,872)	24,048	16,853	126,409	101,438
Oak Hill Cemetery	53,650	9,150	1,098	63,898	(22,021)	(2,529)	11,233	77,216	63,898
Carpinteria Cemetery	42,796	1,770	2,069	46,635	(27,747)	3,318	9,020	62,044	46,635
LAFCO	2,097	6,828	7,839	16,763	11,421	24,189	(43,235)	24,388	16,763
Total	**$ 123,332,551**	**$ 0**	**$ 0**	**$ 123,332,551**	**$ (90,954,422)**	**$ 18,186,198**	**$ 25,948,134**	**$ 170,152,640**	**$ 123,332,551**

Numbers may not add due to rounding.

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below summarizes the information needed for each employer's schedules of required supplementary information.

Table VII-10
Schedule of Employers' RSI Information at June 30, 2024

Employer	Proportionate Shares	Proportionate Share of NPL	Covered Payroll	Share of NPL as a % of Payroll	Plan Fiduciary Net Position as % of TPL	Contractually Required Contribution	Actual Contributions	Contribution Deficiency	Contributions as a % of Payroll
Santa Barbara County	92.9606%	$ 624,531,771	$ 408,709,948	152.8%	86.8%	$ 157,949,690	$ 157,949,690	$ 0	38.6%
Courts	3.5541%	23,877,303	17,854,659	133.7%	86.8%	6,247,571	6,247,571	0	35.0%
Carp-Summerland Fire	1.3910%	9,345,074	4,961,505	188.4%	86.8%	2,629,771	2,629,771	0	53.0%
Air Pollution Control	1.1650%	7,826,751	3,704,629	211.3%	86.8%	1,692,285	1,692,285	0	45.7%
SBC Assoc of Govts	0.5256%	3,531,108	2,640,536	133.7%	86.8%	888,180	888,180	0	33.6%
Santa Maria Cemetery	0.0847%	569,035	425,620	133.7%	86.8%	145,012	145,012	0	34.1%
Summerland Sanitary	0.0681%	457,512	342,020	133.8%	86.8%	122,894	122,894	0	35.9%
Mosq Vector Mgmt	0.0969%	650,998	486,642	133.8%	86.8%	187,180	187,180	0	38.5%
Goleta Cemetery	0.0741%	497,822	372,105	133.8%	86.8%	126,409	126,409	0	34.0%
Oak Hill Cemetery	0.0435%	292,244	218,543	133.7%	86.8%	77,216	77,216	0	35.3%
Carpinteria Cemetery	0.0347%	233,123	174,483	133.6%	86.8%	62,044	62,044	0	35.6%
LAFCO	0.0017%	11,421	260,838	4.4%	86.8%	24,388	24,388	0	9.3%
Total	**100.0000%**	**$ 671,824,161**	**$ 440,151,528**	**152.6%**	**86.8%**	**$ 170,152,640**	**$ 170,152,640**	**$ 0**	**38.7%**

APPENDIX A – MEMBERSHIP INFORMATION

SBCERS Membership - Active Members as of June 30, 2023

Group	Count	Annual Salary[1]	Average Age	Average Monthly Salary[1]	Average Vesting Service
General Members					
Plan 2	3	$253,000	62.0	$7,028	30.0
Plan 5A	179	17,772,000	57.3	8,274	29.4
Plan 5B	274	36,984,000	51.6	11,248	19.0
Plan 5C	859	72,318,000	51.0	7,016	19.1
Plan 7	100	11,231,000	46.0	9,359	13.8
PEPRA	2,002	170,216,000	39.7	7,085	4.1
Total	3,417	$308,774,000	44.6	$7,530	10.7
APCD Members					
Plan 1	3	$318,000	59.7	$8,833	33.3
Plan 2	6	812,000	44.2	11,278	14.3
Plan 7	3	462,000	46.0	12,833	18.7
PEPRA	21	1,944,000	33.5	7,714	4.5
Total	33	$3,536,000	38.9	$8,930	10.2
Safety Members					
Plan 4A	17	$2,656,000	52.9	$13,020	21.6
Plan 4B	12	1,751,000	48.6	12,160	21.3
Plan 4C	234	30,519,000	46.9	10,869	19.0
Plan 6A	5	875,000	59.6	14,583	30.2
Plan 6B	193	24,867,000	46.6	10,737	18.4
PEPRA	478	50,451,000	34.8	8,796	4.8
Total	939	$111,119,000	40.9	9,861	11.8
Total Actives	4,389	$423,429,000	43.8	$8,040	11.0

[1]*Based on salary data provided in the June 30, 2023 valuation data for FYE 2023.*

APPENDIX A – MEMBERSHIP INFORMATION

SBCERS Membership
Deferred Vested and Inactive Members
as of June 30, 2023

Group	Count	Average Age
General Members		
Plan 2	14	62.6
Plan 5A	105	58.9
Plan 5B	382	52.4
Plan 5C	330	47.6
Plan 7	79	46.1
PEPRA	681	39.2
Total	1,591	45.9
APCD Members		
Plan 1	3	58.0
Plan 2	9	42.6
PEPRA	7	38.1
Total	19	43.4
Safety Members		
Plan 4A	3	54.0
Plan 4B	35	50.3
Plan 4C	41	44.3
Plan 6A	10	60.1
Plan 6B	65	42.9
PEPRA	103	35.6
Total	257	42.0
Total Inactives	1,867	45.4

APPENDIX A – MEMBERSHIP INFORMATION

SBCERS Membership – Retired Members as of June 30, 2023

	Count	Monthly Allowances	Average Monthly Benefit
General Members			
Healthy	3,261	$11,049,700	$3,388
Disabled	125	336,700	2,694
Beneficiaries	466	835,300	1,792
Total	3,852	$12,221,700	$3,173
APCD Members			
Healthy	68	$271,300	$3,990
Disabled	0	0	0
Beneficiaries	8	20,500	2,563
Total	76	$291,800	$3,840
Safety Members			
Healthy	943	$6,175,300	$6,549
Disabled	153	768,100	5,020
Beneficiaries	207	719,300	3,475
Total	1,303	$7,662,700	$5,881
Total in Pay Status	5,231	$20,176,200	$3,857

Please refer to the June 30, 2023 actuarial valuation report for a more complete summary of the data.

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

A summary of the actuarial assumptions and methods used to calculate the Total Pension Liability as of June 30, 2024 is provided below, including any assumptions that differ from those used in the June 30, 2023 actuarial valuation. Please refer to the June 30, 2023 actuarial valuation report for a complete description of all other assumptions. The assumptions used in this report and the June 30, 2023 actuarial valuation report reflect the results of the Experience Analysis covering the period July 1, 2019 through June 30, 2022.

Key Actuarial Assumptions

Expected Return on Assets	7.00% net of investment expenses.
Administrative Expenses	Administrative expenses are assumed to be $6.59 million for the fiscal year ending June 30, 2024 to be split between employees and employers based on their share of the overall contributions. This is equivalent to a 3.30% load to both the member and employer contribution rates. Administrative expenses are assumed to increase by the assumed wage inflation of 3.00% each year.
Basic COLA	The cost of living as measured by the Consumer Price Index (CPI) will increase at the rate of 2.75% per year.
Post Retirement COLA	For members who are currently in pay status, benefits are assumed to increase at the rate of 2.9% per year for General Plans 5, Safety Plans 4, 6, and 8 (PEPRA), and APCD Plans 1 and 2. For future retirees in these groups, benefits are assumed to increase at the rate of 2.6% per year. For General Plan 8 (PEPRA) currently in pay status and if their employer had not implemented General Plan 7 prior to January 1, 2013, benefits are assumed to increase at 2.9% per year. For future retirees, benefits are assumed to increase at the rate of 2.6% per year. For all members, benefits are assumed to increase at the rate of 2.00% per year for General Plan 7, APCD Plan 8 (PEPRA), and General Plan 8 (PEPRA) members for whom their employer had implemented General Plan 7 prior to January 1, 2013. For members in General Plan 2, benefits amounts are assumed to remain constant after retirement.

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

Contribution Allocation Procedure

The contribution allocation procedure primarily consists of an actuarial cost method, an asset smoothing method, and an amortization method as described below.

1. **Actuarial Cost Method**

   The actuarial valuation is prepared using the Entry Age Actuarial Cost Method (CERL 31453.5). Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit (until maximum retirement age). For members who transferred between plans, entry age is based on original entry into the system. The normal cost for the Plan is based on the sum of the individual normal costs for each member (Individual Entry Age Method).

2. **Asset Valuation Method**

   As of June 30, 2014, the Market Value of Assets is used to determine the System's UAL. The Actuarial Value of Assets is no longer used.

3. **Amortization Method**

   The UAL (or Surplus Funding) is amortized as a percentage of the projected salaries of present and future members of SBCERS. Effective with the June 30, 2013 valuation, the UAL as of June 30, 2013 is amortized over a closed 17-year period, except for the additional UAL attributable to the creation of Safety Plan 6, which is being amortized over a separate closed period (five years as of June 30, 2023). Effective with the June 30, 2014 valuation, any new sources of UAL due to actuarial gains and losses, assumption changes, or method changes is amortized over a closed 19-year period, with five-year ramp up period at the beginning of the period, a four-year ramp down at the end of the period, and 10 years of level payments as a percentage of payroll. This method is a type of direct rate smoothing method.

4. **Contributions**

   The employer (County or District) contributes to the retirement fund a percentage of the total compensation provided for all members based on an actuarial investigation, valuation, and recommendation of the actuary.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

The plan provisions are the same as those summarized in the June 30, 2023 actuarial valuation report.

APPENDIX D – GLOSSARY OF TERMS

1. Actuarially Determined Contribution

A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

2. Actuarial Valuation Date

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

3. Deferred Inflow of Resources

An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience gains on the Total Pension Liability, assumption changes reducing the Total Pension Liability, or investment gains that are recognized in future reporting periods.

4. Deferred Outflow of Resources

A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience losses on the Total Pension Liability, assumption changes increasing the Total Pension Liability, or investment losses that are recognized in future reporting periods.

5. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB 67 and 68 calculations. Under this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the service cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total Pension Liability.

6. Measurement Date

The date as of which the Total Pension Liability and Plan Fiduciary Net Position are measured. The Total Pension Liability may be projected from the actuarial valuation date to the measurement date. The measurement date must be the same as the reporting date for the Plan.

APPENDIX D – GLOSSARY OF TERMS

7. Net Pension Liability

The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit pension plan. It is calculated as the Total Pension Liability less the Plan Fiduciary Net Position. The Net Pension Liability is not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling SBCERS's benefit obligations in the event of a plan termination or other similar action. However, it is an appropriate measure for assessing the need for or the amount of future contributions.

8. Plan Fiduciary Net Position

The fair or Market Value of Assets.

9. Reporting Date

The last day of the plan or employer's fiscal year.

10. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 67 and 68. The service cost is the normal cost calculated under the Entry Age Actuarial Cost Method.

11. Total Pension Liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 67 and 68. The Total Pension Liability is the Actuarial Liability calculated under the Entry Age Actuarial Cost Method. This measure generally is not appropriate for estimating the cost to settle the Plan's liabilities.

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