

ATTACHMENT C

RESPONDENT(S) ARGUMENT(S)

Respondent's Argument

Ref. No. 2023-0238

**In the Matter of the Appeal Regarding Final Compensation Calculation of CAMERON K.
HANDLEY, Respondent, and COUNTY OF YOLO, Respondent**

Respectfully submitted by:

Cameron Handley, Respondent and
David C. Henderson, Attorney for the Respondent

I am David Henderson, Attorney for Respondent Cameron Handley. In addition to submitting the following legal response to the ALJ's Proposed Decision, Ms. Handley is exercising her right as the Respondent and CalPERS Member to address the Board directly within our total 6-page allotment (Please see attached).

The recommendation of the Administrative Law Judge is flawed and, if adopted, would create an unacceptable precedent.

While purporting to provide an accurate synopsis of the hearing, the ALJ's Proposed Decision cherry picked or misstated evidence that he argues supports his recommendation while misconstruing or omitting evidence that would compel a different result.

First, Respondent Handley presented substantial evidence that, in 2015, when she was asked to undertake additional responsibilities, she contacted CalPERS to ensure that the compensation was paid and reported in a manner that would be eligible to be considered as a portion of her retirement base. In fact, she contacted CalPERS numerous times and the records from CalPERS confirmed that fact. The 10% addition to her pay was reported precisely as directed by CalPERS for 6 ½ years. Three months after her retirement a function referred to as "Program" ruled that the 10% that had been paid and reported pursuant to their instructions would not be allowed as part of the compensation base.

Couched in four pages of canned regulatory language was the actual rationale for denying her benefits:

"The 10% compensation increase that you received is not for normally required duties during normal work schedules, is not available to the group or class, and is not due to the unique nature of your job. Instead, it is provided to maintain a salary range differential between you and your closest subordinate when needed."

After years of reassurances and reliance, CalPERS refuted their prior assurances and deprived Respondent Handley of a major portion of her retirement while stating that her 10% compensation increase was provided for a reason completely unrelated to the truth.

The evidence also showed that Respondent Handley was given 30 days to appeal, which she did. CalPERS acknowledged the filing of the appeal and said they would contact her within 5 days to begin processing the appeal. They did not.

A month and a half later, Respondent Handley's attorney sent a letter asking for discovery and asking about the progress of the appeal. Again, no response. A year later, the attorney sent another letter inquiring about the status of the appeal and received a response saying that the matter had been sent to "Legal". Again, CalPERS promised further contact within five days. One year later, Handley's attorney sent another letter asking about the progress of the appeal.

At this point, CalPERS assigned the case to an attorney, but it would take another 1 ½ years for the matter to go to hearing.

A primary contention of Cameron Handley's position at the hearing was that she was denied due process of law when CalPERS gave her numerous assurances that her retirement compensation would include the 10% special compensation that she received for undertaking the new project. That violation of due process was exacerbated by the fact that it took 3 1/2 years for the hearing to take place.

When one party to a transaction makes false representations to another party the legal doctrine of estoppel precludes the offending party from benefitting from those representation. The law recognizes that CalPERS is a fiduciary to contract employees and owes a duty of accuracy and reliability to them. The ALJ did not acknowledge the evidence and law on this issue at all. Furthermore, it is a denial of due process for CalPERS to unreasonably delay the hearing. This evidence and the resulting prejudice were presented to the ALJ and he chose to ignore it, without comment. I do not believe that the CalPERS Board wants to approve such precedents.

Second, the ALJ ignored the testimony of Angel Gutierrez. Mr. Gutierrez was emphatic that the 10% raise was caused by a clause in the 2017 Yolo County Management Association MOU. This clause was cited in both Formal Determinations and Mr. Gutierrez insisted that this clause was controlling in his testimony. He could not explain how a clause that did not exist in 2015 could cause a 10% raise.

The ALJ could not explain it either and, inferentially, he did not understand the issue. So, he just left it out. The ALJ did not mention the issue in his recitation of the facts or his analysis.

Third, at p. 15, ¶13, the ALJ stated that the County PAF (Personnel Action Form) characterized the pay increase as “out-of-class” pay. This statement contradicts the ALJ’s observation that the “out-of-class language was stricken from the PAF by lining out. (P. 3, ¶16) The ALJ offered no explanation as to why the lining out should be ignored.

Finally, the rationale given by the CalPERS analysis and adopted by the ALJ is just plain wrong. At P.15-16 ¶¶ 14-16, the Proposed Decision argues that the “respondent’s FJC work was not part of the normally required duties of the position”.

The evidence showed that the FJC assignment was created to perform specific tasks and the additional compensation was paid and reported based on CalPERS’ direction. Her “essential duties” as the Children’s Advocacy Center Director were different than her “essential duties” during the time of her FJC assignment. Respondent was paid 10% special compensation because she agreed to undertake additional duties to form the FJC.

The ALJ acknowledged that the Respondent argued that requiring that extra pay must be available to all the members of a group or class but can only be awarded to employees based on the unique nature of their job is a contradiction in terms. (P.10, ¶24) If a job is unique, no one else in the Management Association can do it. Although the ALJ acknowledged this fact, he refused to explain how these contradictory concepts can work.

In conclusion, CalPERS continues to deny any responsibility to Ms. Handley for the denial of benefits that she earned in good faith. I am requesting the Board to conclude that the ALJ’s Proposed Decision is inappropriate and grant the correct benefits to respondent.

Respectfully Submitted,

David C. Henderson

David C. Henderson

6/25/2025

Date

I am writing this letter directly to you for two reasons. First, I believe the special compensation I earned should be included in my final compensation calculation. Second, I think you should know what my experience has been like throughout this process. I submit this argument against the Proposed Decision issued by the Administrative Law Judge (ALJ) recommending denial of the inclusion of my 10% Special Compensation (SC) from 2017 through 2021, in the calculation of my final compensation for retirement purposes. The Proposed Decision overlooks compelling evidence and history and undermines the clear intent of applicable pension codes.

The SC in question began in 2015 after I was selected to create a Family Violence Coordination Pilot Project in accordance with a recently approved County Board of Supervisors' (BOS) Initiative while maintaining my duties as the Children's Advocacy Center (CAC) Director. I was selected to do this because I had created a similar program, the CAC, with the same partners and program structure. This assignment and SC were approved by my labor union and the BOS, publicly supported, and confirmed by CalPERS to be pensionable prior to initiation. The County and I each verified, with CalPERS, that the SC received would be included in my final compensation calculation. From **2015** to 2021, this SC was reported in full compliance with CalPERS' guidance. Four months after I retired, CalPERS issued a letter stating the SC earned between **2017**-2021 did not qualify as SC, mistakenly attributing it to a clause in a 2017 MOU about salary differentials between managers and subordinates.

Despite repeated efforts by me to clarify this misunderstanding, CalPERS stated that my only recourse was through the formal Appeal process and advised me to hire an attorney. They said the County would receive a letter of reprimand for reporting my SC. In their Formal Determination letter and Statement of Issues (which laid the foundation of their case for my hearing) it stated, unequivocally, that my SC was disallowed because it was given to establish a salary differential in 2017 between me and my closest subordinate. After I provided official records in 2022 documenting what my SC was for, this false narrative was repeated for 3 years, causing me to focus all my efforts on clearing up this obvious misunderstanding. While tremendously frustrating, I believed my case was lost in bureaucratic limbo without an actual person reviewing it. I received letters haphazardly cut and pasted, riddled with clerical errors and inconsistencies including, incorrect employer, identifying information, and job classifications. At the end of **2024**, I received an unsigned Formal Determination letter repeating the language about salary differentials. During this time, an email from the CalPERS attorney assigned to my case also characterized my SC as creating a salary differential between me and my closest subordinate. After 2.5 years of waiting, it was very disappointing that, while someone was finally working on my case, they hadn't even read my Appeal or any of the paperwork I submitted clearly demonstrating what the compensation was for.

With CalPERS leaving me no option but a formal hearing, I spent countless hours locating staff long gone, accessing outdated payroll systems long retired, and locating documents/policies that are more than a decade old to prove that my SC started in 2015 and had nothing to do with a salary differential or 2017 MOU. I focused my hearing and testimony preparation on this. Then, CalPERS opened their case by stating that they conceded my SC was for a special assignment and not to establish a salary differential. This change of course during the actual hearing was unsettling and hindered my ability to present a focused case. Relying on CalPERS' Statement of Issues, emails, and official documents, I had no way to anticipate this. Nonetheless, the County responded to the "new" issues presenting a very reasonable interpretation of the relevant codes and guidelines for employers. The County established that it is their position that all requirements regarding my SC MIP were met.

The ALJ agreed with us on two major issues but completely omitted the County's argument. PERL requires SC to be "for normally required duties during normal work schedules, available to the group or class, and due to the unique nature of your job." In his recommendation, The ALJ found that we established by a preponderance of evidence that the SC in question was for work done during my normal work schedule and due to the unique nature of my job, rejecting CalPERS' contentions otherwise. He also stated that my Employee Evaluations from 2016 and 2021 provided strong evidence that my SC work was in fact one of my essential duties, however sided with CalPERS on the issue of "normally required duties" solely based on two unfortunate words that had nothing to do with my assignment or correctly classifying it. The first one was a clerical error on my Personnel Action Form (PAF) that the ALJ acknowledged was clearly crossed out and corrected (before being executed). The second one was the unfortunate inclusion of the word "outside" in a clause in a 2024 MOU that the County amended, under the guidance of CalPERS, in an attempt to bring my SC into full compliance outside of a hearing. CalPERS initiated this proposal and was in full support of it in September 2024. In light of the fact that a corrected typo on a 2015 PAF and an amendment to a 2024 MOU clearly had no impact on what occurred between 2017 and 2021; and because the ALJ found my Employee Evaluations, actually written back then, were compelling evidence that my SC work was part of my normally required duties; and considering the history of

events, significant delays, and misinformation, I ask the Board to allow the County to continue working with CalPERS, make the necessary adjustments to the MOU, and bring my SC into full, undisputed compliance.

I am hopeful that you will consider this a reasonable request considering that despite this long confusing process and misunderstanding, the ALJ found that my SC indeed meets 2 out of 3 of the disputed requirements. CalPERS and the County have previously indicated a willingness to work together to satisfy the 3rd one. CalPERS has stated that the SC could be brought into full compliance and reinstated in my final compensation calculation. On 10/4/2024, CalPERS wrote, "CalPERS instructed the County on how to bring the compensation into compliance with CCR 570.5." The word "outside" caused a problem for the ALJ, but this is the result of a current day miscommunication/misunderstanding between the County and CalPERS to bring my SC into compliance. My performance evaluations from the actual time period clearly demonstrate that my SC work was within my essential duties, not outside. The County stated that they are willing to make the necessary changes. This solution respects the ALJ's findings while honoring CalPERS' and the County's commitment to me when I agreed to this assignment.

I have been a member of this organization for 30 years who, in good faith and transparency, is trying to navigate a complicated system, comply with guidelines, and go through all the appropriate channels to clear up a significant misunderstanding. This has been an extremely frustrating and onerous process. I have been patient for 3.5 years, adjusting to significantly less income per month than I had planned. I cannot express how defeated and deflated this experience has left me. I did tremendous due diligence to plan my retirement responsibly, with CalPERS' guidance, making fully informed decisions. Between 2016 and 2020, as supported by CalPERS' contact notes, CalPERS repeatedly provided verbal and written assurances that my SC would be included in my final compensation calculation. While planning for my retirement in 2021, I had lengthy conversations with CalPERS staff covering every detail of my specific retirement scenario. I attended every class, twice, participated in 1:1 meetings, got a written estimate, and utilized every tool and guideline on the website. It was confirmed numerous times in numerous ways that everything was in order with my SC and that I could count on it being included in my final compensation calculation. No corrections of this understanding were ever made from prior to accepting the assignment through retirement. Then, 4 months after I retired, it was denied for a stated reason and time period that had absolutely nothing to do with my situation or compensation. Retirement systems should be reliable and predictable, not confusing and arbitrary.

For more than three years, despite ample clarifying documentation supplied by me, CalPERS maintained and reiterated an entirely incorrect characterization of my SC. I can't describe how demoralizing this was. This was compounded by years of silence from CalPERS and bureaucratic indifference. The prolonged mischaracterization not only impaired my ability to prepare for the hearing, it deprived me of the opportunity to have any meaningful interaction with CalPERS to resolve the issue. To disregard the prolonged and irrefutable mischaracterization of my SC, not to mention the abundant clerical and administrative errors, combined with the history of misinformation, false assurances, and significant delays processing my case and then to rely so heavily on two clerical errors, corrected by the County, to justify the Proposed Decision feels hypocritical and like a tremendous double standard. During one of my contacts with a CalPERS representative, I asked if I could get something in writing and he replied that they were "not allowed to put anything in writing, anymore, because members were holding them accountable for what they said." Then, during my hearing, the CalPERS attorney asked the CalPERS analyst, if I had been given misinformation by CalPERS representatives that my SC was pensionable, would that have any impact on the decision to disallow it now? His answer was, "No." This complete lack of accountability and professionalism by my pension provider fractured my trust in an agency that holds my financial security in their hands. The emotional and financial toll this has taken has been immense. I am profoundly disappointed and disillusioned by this experience.

The process of trying to resolve a matter that started out as a simple and clear misunderstanding has turned into a bureaucratic nightmare including a troubling lack of communication and procedural delay that has consumed the first 4 years of my "retirement." The stress of delays, miscommunication, and shifting explanations has been overwhelming. I trusted CalPERS to protect my earned benefits. Instead, I was dismissed, ignored, and ultimately punished for trusting them. This case also consumed significant County and CalPERS resources over a matter that should have been resolved administratively. CalPERS eventually offered an opportunity to bring the SC into compliance, then rescinded that offer after an innocent misunderstanding by the County while trying to fix it on their end and ensure that their commitment to me was honored. That is not the system members or employers expect. This experience makes the appeal process appear futile and the truth of my service meaningless.

I postponed major life and financial decisions because of the uncertainty created by this. I couldn't move or travel due to the constant uncertainty of CalPERS' timing/response. I rearranged my ability to care for my aging parents and their medical needs around 7 CalPERS hearings that were scheduled and then continued at the last minute...all after

hours spent preparing for them. This has loomed large throughout every aspect of my life for nearly 4 years. While the delay and frustration with bureaucracy has been extraordinary, I anticipated resolution in my favor after I was finally allowed to clarify the actual reason for my SC. To switch gears mid hearing was unfair. For over three years, I have lived in financial limbo, fielding vague letters and circular responses. The energy and personal time spent on this instead of what should have been a transition into a long-awaited retirement after a demanding career, working to fix broken systems that address family violence and child sexual abuse/exploitation, has been all consuming.

CalPERS stated that the assurances the County and I received from them prior to accepting this assignment were simply wrong but offered no remedy. Further, if I had known or been able to reasonably predict that my retirement income would be significantly less per month, I would have planned my retirement differently. If I had not given CalPERS a higher contribution based on their assurances that my SC was allowable for my retirement income calculation, I could have invested those contributions in my personal retirement investment accounts which would have accumulated for 10 years now. Instead, I invested it in CalPERS mistakenly believing I could rely on their commitment to me and my paid membership in their organization. CalPERS has offered no remedy for this either. Accepting the Proposed Decision would take no responsibility for or acknowledge the years of misrepresentations, mischaracterizations, and profound delays of complete inactivity. Worse, no meaningful communication occurred between May 2022 and early 2024, leaving me without guidance or clarity. This coupled with an inexcusable delay in acknowledging and responding to the actual facts of my SC history cannot be separated from the technical analysis of this case when reaching a conclusion.

CalPERS's rejection of this lawful compensation, based on clerical errors and omissions after a prolonged failure to engage meaningfully with the evidence, would unjustly deprive me of the retirement I earned, was promised, and based important life decisions on. It would also set a precedent that employees can't rely on their employers in their commitments based on CalPERS assurances. I urge the Board to review the full record and ensure my pension reflects the work I was assigned and completed. Members should not be penalized for following CalPERS' instructions. The image CalPERS presents of dependability and respect for public service and its members must be honored in actions not just words.

I respectfully request that the CalPERS Board of Administration reject the Proposed Decision and find that the 10% Special Compensation paid to me from July 1, 2017 to December 30, 2021 qualifies as allowable compensation. In the alternative and considering the ALJ's findings that the SC in question meets all other requirements of allowable compensation, I request that the Board open communication again and allow the County to work with CalPERS to amend the wording of the YCMA MOU and bring my SC into compliance, as previously offered by CalPERS. If neither of the above options are possible, I whole heartedly ask that the Board please exercise its discretion under Government Code 20160 and grant equitable relief based on the County and my documented due diligence, the prolonged delay in response from CalPERS, and CalPERS's own prior representations my SC would be pensionable prior to the initiation of this project. The truth of what I did and was paid for should guide the outcome, not semantics, typographical errors, or misunderstandings by others.

I appreciate your time and kind consideration of my requests. Please feel free to contact me should you need any additional information or clarification.

Respectfully, *Cameron Handley*, Respondent 6/25/2025

Attachment: Communication History Timeline

Timeline of Communication (all presented during Hearing)

- >October 2015: I was assigned by the County to create the FVCP, as an expansion to my existing duties at the CAC. I maintained both assignments as part of my regular duties until I retired on December 30, 2021. My assignment was to partner with a local nonprofit to create a self-sufficient FJC-type program that was not dependent on County funding.
- >Prior to agreement: County Human Resources, District Attorney's Office, and I contacted CalPERS separately and confirmed that this pay qualified as special compensation under CCR 571 and Government Code 20636.
- >2015-2021: 10% SC increase was reported as Special Compensation (SC) MIP in full compliance with CalPERS guidance and based on good faith representations made by CalPERS staff. I received this 10% SC, MIP, for this additional work and CalPERS accepted regular contributions on it without indication that anything was amiss or needed correction.
- >Empower Yolo was restructured to include the FVCP and retained its name and leadership of it. For **6.5 years**, I stayed actively involved in creating, developing, and expanding this program, including securing long-term funding independent of ongoing county funding, in addition to maintaining my duties at the CAC. That was my job.
- >2017: An MOU between the Yolo County Managers Association (YCMA) and Yolo County was approved containing a salary differential clause that had no relation to me or effect on my SC or assignment.
- >2021: Requested and received a formal written estimate of my final compensation from CalPERS.
- >2021: **Telephone Contact with CalPERS Analyst, Leticia**, who looked up my estimate and current compensation as reported by the County and reviewed it. **She confirmed** that everything looked good, in compliance, and **that my SC was allowable compensation and being reported correctly**. I told her in detail what my SC was for and that I wanted to make sure everything was in order prior to retiring that year. She researched it and: 1) Reconfirmed what I was told in 2015, that it qualified as pensionable compensation under the governing regulations, 2) the County was reporting it correctly, and 3) if I continued to receive it until I retired, it would be included in my final compensation calculation. She advised, when using compensation calculator on mycalpers, to manually input the monthly total (which she gave to me that day and it included my SC) to get an accurate estimate because the system does not include SC in its estimates because it could go away at any time. She stated that, if it did not go away and was still part of my total compensation when I retired, it would definitely be included in my final compensation calculation. She told me I could rely on that.
- >December 30, 2021: I officially retired from Yolo County.
- >January 2022: Received compensation letter. My final compensation was significantly less than I had anticipated.
- >January – April 2022: Numerous contacts with CalPERS to seek clarification. I offered to send all necessary documents to rectify any misunderstanding, was repeatedly told that my case was "under review" and I could do nothing until I received my Formal Determination letter, within 30 days. Then, I could email documents to clear up any misunderstanding. This eventually changed to, my Formal Determination letter was "way overdue." Per Analyst, Jennifer, CalPERS has a whole division "**Dedicated to denying compensation and it is backlogged.**"
- >April 2022: (**Four months later**) Received Formal Determination Letter reversing the SC out of my final compensation calculation for the period of July **2017** through December 2021 citing an irrelevant clause in the 2017 YCMA MOU. When I called to clarify, offering (again) to send all necessary documents, I was told that my only recourse was through the formal Appeal process. I was advised to hire an attorney. I was also told that the county would be "reprimanded" for reporting my SC to CalPERS. **Note: In 2017, my SC had been part of my "normally required duties" for Two Years.**
- >May 2022: Filed my appeal, as directed, within 30 days of the Formal Determination letter.
- >March 2023: (**almost one year later**) CalPERS letter acknowledging receipt of my appeal.
- >2022-2024: CalPERS failed to respond to multiple communication attempts by me and my attorney.
- >January 2024: Received my **first** contact from CalPERS Legal Dept. regarding scheduling a hearing.
- >July-August 2024: Under the guidance of CalPERS Analyst and Senior Attorney, Yolo County amends the YCMA MOU. (This amendment unfortunately included the word "outside" in a description later misinterpreted by CalPERS and used by the ALJ to justify his Proposed Decision.)
- >October 4, 2024: Received an unsigned letter from Compensation & Compliance Services, Employer Account Management Division stating, "**CalPERS instructed the County on how to bring the compensation into compliance with CCR 570.5**" CalPERS then rejected what the county submitted in a good faith effort to follow those instructions. County offers to change the wording to rectify situation. CalPERS refuses and states that litigation is the only option now, despite previously indicating that my SC could be brought into compliance, "outside of litigation."
- >April 2025: ALJ issues Proposed Decision denying pensionability of my SC despite acknowledging the SC was for duties **within** my normal working hours, due to the unique nature of my job, and not as originally described by CalPERS as their stated reason for denying the SC. Without any acknowledgement of the significant delay, miscommunication, and mishandling of my case.



COUNTY OF YOLO

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June 26, 2025

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Subject: In the Matter of the Appeal Regarding Final Compensation Calculation of CAMERON K. HANDLEY, Respondent, and COUNTY OF YOLO, Respondent.

Dear Board of Administration,

Please accept this correspondence as Respondent County of Yolo's request that the Board reject the decision proposed in this matter and instead adopt its own decision granting Respondent Cameron Handley's appeal.

On April 29, 2025, the parties in this matter appeared before Office of Administrative Hearings to present arguments regarding whether special compensation provided to Respondent Handley for her work creating the Yolo County Family Justice Center should be included in the calculation of her final compensation. Respondent County of Yolo respectfully requests the Board refuse to adopt the proposed decision in this matter. Instead, the Board should grant Ms. Handley's appeal, designating her special compensation as pensionable income pursuant to California Code of Regulations, Title 2, Section 751(1).

Factual Background

During her 26-year tenure with Yolo County, Ms. Handley dedicated her career serving the most vulnerable in her community. To that end, she was successful in expanding services available to victims of sexual and familial crimes in Yolo County. She served as the Children's Advocacy Center Director (also called the Multi-Disciplinary Interview Center¹) for the Yolo County District Attorney's Office. In addition, Ms. Handley, oversaw the creation of the Yolo County Family Justice Center.

¹ This institution has changed names multiple times since its creation in 2003. For ease of reference, and to remain consistent with the language used in the proposed decision, this brief will refer to the Children's Advocacy Center as the Multi-Disciplinary Interview Center. Currently, and as explained later in this brief, it is referred to as "Cameron's Place."

1. The Multi-Disciplinary Interview Center

The Multi-Disciplinary Interview Center is housed within the Yolo County District Attorney's Office. It provides forensic interviews and support services for child victims of abuse and their families. In 2003, with the support of the Yolo County District Attorney and Board of Supervisors, Ms. Handley led the effort to create the Multi-Disciplinary Interview Center. The Center was established with the goal of limiting the number of times that child victims of crimes are interviewed regarding abuse. Instead of being required to sit for multiple interviews, which could lead to further trauma, victims were to be interviewed a single time at the Multi-Disciplinary Interview Center.

In November 2024, several months prior to the hearing on this matter, and almost three years following her retirement, in appreciation and acknowledgement of Ms. Handley's career-long dedication to serving victims of abuse, the Multi-Disciplinary Interview Center was renamed "Cameron's Place" in honor of Ms. Handley.

2. The Family Justice Center

In 2015, Yolo County began the process of creating a Family Justice Center. The purpose of the Family Justice Center was to set up a "one-stop-shop, with the co-location of services under one roof" for victims of family violence. (Respondent Yolo County's Hearing Exhibit AA, YOLO 0083.) Critical to the creation of the Family Justice Center was the identification of an individual to spearhead the project and provide the "leadership needed to guide initial planning and implementation, as well as long-term stability and focus in the areas of advocacy; fundraising and marketing, and managing board, service provider, and community relations." (Respondent Yolo County's Hearing Exhibit AA², YOLO 0083.) Given Ms. Handley's previous success creating the Multi-Disciplinary Interview Center, she was chosen by the Yolo County District Attorney, Jeff Reisig to create the Family Justice Center **in addition** to fulfilling her duties as the Multi-Disciplinary Interview Center Director. Ms. Handley was an appropriate fit for this project because through her work on the Multi-Disciplinary Interview Center she had developed relationships with the same community partners that would be critical to the success of the Family Justice Center. Her work on the Center also demonstrated that she had the specific skills and community relationships necessary to make the Family Justice Center a success.

In acknowledgement that spear-heading the creation of the Family Justice Center would result in an overall increase in her job duties, the County, with the support of DA Reisig, provided a 10% special compensation increase to her salary. She retained this special compensation from the formation of the Family Justice Center in 2015 until she retired in 2021. Upon her retirement, leadership of the Family Justice Center transferred to a community partner, Empower Yolo. This was not an unexpected change as one of the goals of the Family Justice Center assignment was to shift its leadership from the County to a community partner. Ms. Handley was successful in that goal.

Legal Argument

At issue in this appeal is whether the special compensation provided to Ms. Handley for creating the Family Justice Center, from October 4, 2015 through her retirement on December 19, 2021, can be

² All Exhibit references refer to the exhibit identification system used for exhibits admitted into evidence at the administrative hearing held in this matter on April 29, 2025.

included in the calculation of her final compensation. Neither party contests that the special compensation was reported to CalPERS as pensionable income nor that Ms. Handley's CalPERS contributions included the subject special compensation. The proposed decision accepts that Ms. Handley was provided the subject compensation for work done during her normal working hours and was due to the unique nature of her job. However, the proposed decision purports to deny Ms. Handley's appeal on the grounds that (1) the special compensation was for work that was not a part of Ms. Handley's "normally required duties" and (2) the special compensation was not available to all members of her "group or class."

1. County of Yolo demonstrated that the special compensation at issue was for work that became a part of Ms. Handley's normally required duties, beginning in October 2015 and ending when she retired in December 2021.

The proposed decision holds that the special compensation paid to Ms. Handley as Management Incentive Pay could not have been for "normally required duties" because the definition of Management Incentive Pay contained in the Management MOU is "for unique circumstances in which managers are asked to take on additional duties outside of their essential duties." This conclusion ignores both the reality of the shifting priorities inherent in public service and the specific facts of this case.

Management Incentive Pay as outlined in the Management Association MOU is intended to comply with management incentive pay as articulated in California Code of Regulations, Title 2, Section 751(1), allowing for special compensation for "management employees in the form of additional time off or extra pay due to the unique nature of their job." In essence, Management Incentive Pay as defined in the Management MOU is for managers that take on extra work (which then becomes a part of their regular job duties), as a result of their unique position within the County. It is not uncommon for managers and executive level staff within public agencies to assume additional job duties as new projects become priority. Many public servants jokingly, and sometimes begrudgingly, refer to this reality as "collecting hats." That was exactly the case here. Prior to the Yolo County Board of Supervisors' decision to form a Family Justice Center, no one at the County held those job duties because they did not exist.

The proposed decision errs when it claims that Ms. Handley's 10% special compensation was provided for "out-of-class" pay. This is demonstrably wrong. While true that the Personnel Action Form ("PAF") lists "out-of-class" pay as the reason for the special compensation, that clerical error was crossed out and corrected by HR staff to properly reflect that the intent of the subject special compensation was to compensate Ms. Handley for her newly assumed roles. (Respondent Yolo County's Hearing Exhibit BB.) This is further demonstrated by the unaltered language of the PAF, which defines the special compensation as "10% FJC Director differential – 2 years" and "100% of all compensation will be reported to CalPERS with all Special Compensation Project pay reported as 'Supplemental income'." (Respondent Yolo County's Hearing Exhibit BB.) This language supports that at the time the special compensation was awarded it was not "out-of-class" pay. And finally, the Yolo County Personnel Rules and Regulations do not allow out-of-class pay to exceed 5%. To offer "out-of-class" pay at a rate of a 10% increase in salary would violate the County's policies and procedures.

Ms. Handley was asked to spearhead the creation of the Family Justice Center specifically because of her skills in the field and connections within various community partners. She dedicated her career to advocating for effective, trauma-informed approaches to child abuse cases. During the

hearing on April 29, Yolo County District Attorney, Jeff Reisig provided testimony that Ms. Handley was a valued member of his staff and a passionate advocate for victims of crime in Yolo County. When determining who should lead the Family Justice Center, she was his clear choice.

Prior to assuming the role of Family Justice Center Executive Director, Ms. Handley did not engage in any job duties related to that position (because they did not exist). Upon agreeing to lead the project, she agreed to assume new duties in excess of the duties required of her as the Multi-Disciplinary Interview Center Director – the Management Incentive Pay was intended to provide special compensation for those duties. This is further evidenced by the fact that the Family Justice Center duties were incorporated into Ms. Handley’s performance evaluations. (Respondent Yolo County’s Hearing Exhibits DD & EE.) Finally, Ms. Handley was assigned to the Family Justice Center project for over six years. The conclusion that job duties performed by an employee for over six years and incorporated into the employee’s performance evaluations could not be considered “normally required” strains credulity.

The special compensation at issue was for work that became a part of Ms. Handley’s normally required duties after she excepted an expansion in her already existing essential duties as the Multi-Disciplinary Interview Center Director. This is the exact scenario contemplated by the Management Incentive Pay outlined in the Management Association MOU. If CalPERS requires a clarification to the MOU language to reflect this nuance, the County is willing, with the Association’s consent, to make this change to alleviate confusion in the future. However, and despite any interpretation of the MOU language, the facts of this case clearly demonstrate that the special compensation at issue was paid because Ms. Handley took on extra duties, which then became her normal job duties for the six years preceding her retirement. As a result, that special compensation should be included in the calculation of her final compensation.

2. County of Yolo demonstrated that Management Incentive Pay is available to all members of the Management Association.

The proposed decision asserts that Ms. Handley is the only County employee that has ever received Management Incentive Pay. **No such evidence was presented at the hearing on this matter.** In fact, when CalPERS Associate Governmental Program Analyst, Angel Guitierrez was asked whether he ever inquired of the County about whether any other employees have received Management Incentive Pay, **he said that he never asked for that information.** Instead, Mr. Guitierrez claims to have “spot checked” the list of positions represented by the Management Association and since none of those “spot checks” received the incentive, he assumed that no one else had.

The Management Incentive Pay as articulated in the Management Association MOU is available to all members of the Association. California Government Code section 20636 (e)(1) specifically defines “group or class of employment” as “a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical work-related grouping.” Mr. Guitierrez’s “spot-check” does not prove that the special compensation is not available to all members of the Association. It simply proves that not all members receive the special compensation.

The law does not require that all members in a given group or class receive the subject special compensation to be valid. It only requires that the special compensation is **available** to the entire group and class, should they meet the necessary qualifications. This same structure is applied to

numerous other forms of pensionable special compensation. For example, the Management MOU also provides for education special compensation for managers that obtain certifications in excess of those required for their positions. (Respondent Yolo County's Hearing Exhibit MM, YOLO 151.) This is pensionable income pursuant to California Code of Regulations, Title 2, Section 751(2). That special compensation is not disallowed because all members the unit don't receive the special compensation. If we applied Mr. Gutierrez's logic to that same special compensation, it could be disallowed because not all members receive the education incentive. This conclusion ignores that the special compensation is *available* to all members, despite the fact that the one member "spot checked" did not qualify to receive the special compensation because they did not obtain the necessary certification.

The proposed decision also errs in its holding that the compensation at issue violates section 571(b)(1)(B), which requires that all pensionable special compensation indicate "the conditions for payment of the item of special compensation, including, but not limited to, eligibility for, and amount of, the special compensation." The Management Association MOU provides as follows:

Effective January 1, 2015, in order to address unique circumstances in which managers are asked to take on additional duties outside of their essential duties, the County Administrative Officer, at their sole discretion, may adjust the salary of any employee up to a maximum of ten percent (10%) of base salary. The County Administrative Officer's decision regarding management incentive pay, including eligibility or cessation, shall be final and not subject to the grievance procedure. (Respondent Yolo County's Hearing Exhibit MM, YOLO 153.)

The language includes both (1) the conditions required for payment and (2) the amount of the special compensation. The conditions required for payment are that the manager agree to assume duties "outside of their essential duties" and retain their already existing duties for an indefinite period. The use County Adminisitrator's discretion does not erase that the conditions for payment are included in the subject language.

For the foregoing reasons, Respondent County of Yolo respectfully requests that the Board decline to adopt the proposed decision in favor of its own decision granting Ms. Handley's appeal.

Respectfully,



April Rocke
Deputy County Counsel III