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Public Pension Reform Advocacy Group Launches.

PHOENIX – Well-known figures in municipal finance and local government are leading a new advocacy group created to help local governments face what it describes as the “uncertain future” of public pension plans.

The Retirement Security Initiative launched publicly Tuesday.

Leaders include municipal bankruptcy expert Jim Spiotto, former New York Lt. Gov. Richard Ravitch, Lois Scott, Chicago’s former chief financial officer, and former San Jose, Calif. Mayor Chuck Reed.

Spiotto, a managing director of Chapman Strategic Advisors, said that the RSI is there to help provide government officials with help and information about what reform steps other governments have taken, and to generally “help them help themselves.”

Backers describe the initiative as a national, bipartisan advocacy organization.

“The initiative is really to be of service to state and local governments,” Spiotto said.

The RSI said in its announcement that pension liabilities are in excess of \$1 trillion, putting state and local governments throughout the U.S. under tremendous strain to both provide public services and meet their pension obligations.

“As pension costs continue to skyrocket, policymakers often pull funds from important public services like education, public safety and transportation to pay pension debt,” the announcement said. “In the end, it’s taxpayers and communities that pay the price.”

Former Utah state senator Dan Liljenquist said that it is essential to act quickly to prevent an even bigger problem down the road.

“We need to fix the pension crisis now to avoid further tax increases and public service disruptions,” said Liljenquist, who advocated for pension reforms as a state lawmaker. “Many pensions, as they are currently structured, are like the game Pac Man, chewing up funds that should be going toward essential community services.”

The RSI said it advocates for state and local governments to act to ensure that their retirement plans are “sustainable, fiscally sound and responsibly managed so that all retirees and employees get paid what they have earned.” The organization also advocates for decision making and management of retirement plans to be “open, transparent and non-political.” It says it advocates at the federal, state, county and municipal levels.

Reed, who fought for pension reform in San Jose, was one of the primary promoters of California ballot initiative efforts to give voters more power over government pension benefits and to limit government spending on retirement costs. Initiative backers withdrew from the field this year, saying they would come back in the next election cycle because financial backers believe the 2018 political climate might be more receptive.

All stakeholders need to have some input in pension solutions, Reed said. "Solutions to the funding and cost crises need to be developed with input from employees, retirees, labor, management, taxpayers and fiscal experts," said Reed. "RSI has the experience and resources to bring all of these parties together."

Ravitch, Reed, Scott, Spiotto, and Liljenquist are the members of the RSI board of directors.

Peter Furman, the initiative's executive director, formerly worked as Reed's chief of staff in San Jose.

THE BOND BUYER

BY KYLE GLAZIER

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