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New California Measure Proposed on Public Worker Pension Reform.

(Reuters) – A new statewide ballot measure campaign aimed at reforming public worker pensions was filed in California on Thursday, led by former Democratic San Jose mayor and longtime pension reform advocate Chuck Reed.

The ballot initiative is the latest in a long fight to reduce public pension obligations in California, where debts are particularly burdensome and have contributed to municipal bankruptcies in some cities.

Voters would be required to approve pension benefits for new government employees and any increases in benefits to existing workers. The measure would also prohibit taxpayers from subsidizing more than 50 percent of government retirement benefit costs, unless approved by voters.

While California's economy has improved in the past few years, public worker pension debt grew to \$198 billion in 2013 from \$6.3 billion in 2003. Unfunded liabilities for retiree healthcare benefits is approximately \$150 billion, according to the group.

"We're filing this because pensions costs are going up dramatically," Reed said. "We're giving voters the opportunity to weigh in on employee benefits that they have not had in the past."

As San Jose mayor, Reed helped pass a pension reform measure for his city, parts of which have been struck down after union lawsuits. He abandoned a similar statewide ballot initiative in 2014, after Kamala Harris, California's Democratic attorney general, altered the wording.

A coalition of politicians and business people led by Reed and former Republican San Diego City Council member Carl DeMaio spent several hundred thousand dollars on policy and polling work ahead of this ballot initiative. They are in discussions with various potential donors, including John Arnold, hedge fund billionaire-turned-philanthropist and the single biggest donor for Reed's last, failed ballot initiative.

This initiative – unlike his last one, which sought to give mayors and other local officials the power to alter pension benefits for current workers – asks workers hired after January 2019 to cover at least half of their retirement benefits costs.

"This protects taxpayers," Reed said.

Dave Low, chairman of Californians for Retirement Security, called the initiative "another destined-to-fail attempt to eliminate the retirement security" of state public employees.

Expected to appear on the November 2016 ballot, the initiative would apply to all California local governments, not just workers covered by the state pensions fund Calpers. Big cities, such as Los Angeles, San Francisco and San Jose, have their own pension systems and Reed's proposed law

would also apply to them.

By REUTERS

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