

2012 Legislative Action Days

Background:

League Policy: For the past two years pension reform has been a League strategic priority. In July 2011 the League's City Managers Department's Pension Reform Action Plan was presented to the League Board of Directors (Board) with recommendations of support from the Revenue and Taxation Committee as well as the Employee Relations Committee. The Board adopted the recommendation of the policy committees and Pension Reform Action Plan stands as League policy.

Legislature & Governor's 12-Point Plan: After two different releases by Governor Jerry Brown of the 12-Point Pension Reform Plan, in early Feb. of this year the Governor released legislative language that is now being reviewed by the Conference Committee on Pensions (Committee). In addition to the Governor's plan, the Committee is also considering other reforms including those related to elected official's retirement benefits.

League Advocacy Efforts: The League is in active conversations with the Governor's Office and the Committee to discuss our policy and the specific needs of cities. In lobbying this issue, we have been generally supportive of the Governor's position, but have emphasized the need to provide more tools to deal with current pension costs for current employees. We have advocated that those tools must include greater flexibility at the local collective bargaining table to negotiate changes in pension benefits.

Key Messages:

Local Governments Need More Tools to Deal with Current Pension Costs: While we are generally supportive of the Governor's approach, the reforms discussed to date do not give local governments the flexibility they need to deal with the current and increasing cost of pensions. These key tools include:

- The ability to collectively bargain employee contributions above the statutory caps (7-8% Misc. & 8-9% Safety); and,
- To permit pension changes on a bargaining unit-by-bargaining unit basis, rather than requiring all employees in a classification to have the same benefits.

More Tools Are Good For Employers, Employees, and Taxpayers: Without these necessary tools to deal with increasing costs the only alternative is employee layoffs. With these tools employers can effectively deal with their pension obligations, employees are less likely to be laid off and thus taxpayers continue to receive the vital services they depend on.

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