

STATE LEGISLATIVE ANALYST SAYS “SIGNIFICANT UNCERTAINTY” IN DeMAIO/REED PENSION MEASURE

*SAYS COULD OPEN THE DOOR TO ELIMINATE DEATH & DISABILITY BENEFITS FOR PUBLIC
SAFETY, IMPACTS COLLECTIVE BARGAINING, LIKELY TO INCREASE OTHER COMPENSATION
COSTS TO ATTRACT AND RETAIN EMPLOYEES*

SACRAMENTO – California’s Legislative Analysts Office today reported there is “significant uncertainty” about the impacts of the pension ballot measure proposed by former San Diego City Councilman Carl DeMaio and former San Jose Mayor Chuck Reed that could drive up costs for taxpayers, affect the ability to attract and retain public employees, and put death and disability benefits for firefighters and other public servants at risk.

In its analysis, the LAO concluded “There is significant uncertainty as to the magnitude, timing, and direction of the fiscal effects of this measure and its effects on current and future governmental employees’ compensation.” It said the measure would likely be the subject of legal battles because of the massive uncertainty about its impact.

The LAO also noted:

- Existing employees would be affected by the measure;
- Death & disability benefits for firefighters, peace officers, and other public employees could modified or eliminated;
- Collective bargaining would be threatened;
- Government employers would likely have to increase other benefits to attract and retain employees.

“This measure is a Trojan horse that will undermine the retirement security of millions of California families with unknown costs to taxpayers under the guise of giving them more power,” said Dave Low, Chairman of Californians for Retirement Security. “Voters have consistently said they will reject proposals that threaten the death and disability benefits of public safety workers, undermine collective bargaining, and eliminate retirement security for teachers, bus drivers, and other public servants. This measure would be dead on arrival to voters, just like previously over-reaching measures.”

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