

Editorial: California Pension spiking bill needs to be stopped

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AS THE state Legislature continues to push forward with a fraudulent reform bill that would actually lock in abhorrent pension spiking in Contra Costa, county leaders are finally starting to speak out in opposition.

It's about time. Unfortunately, it might be too late to stop union-bought members of the Assembly and Senate from giving final approval to this charade. But perhaps Gov. Arnold Schwarzenegger is listening and will do the right thing by vetoing Assembly Bill 1987 when it reaches his desk.

Let's hope he hears the words of state Sen. Mark DeSaulnier, D-Concord, an original co-author of the bill who has come to realize he was misled about its content and has pulled his name from it.

"I committed earlier this year to work on a bill to end the egregious pension spiking practices that were exposed by the (Contra Costa) Times. I am also committed to working to ensure that our public pension system is sustainable. Unfortunately, as currently drafted, I feel AB1987 has the potential to make the current situation worse, not better."

Let's hope Schwarzenegger also hears the message from county Supervisor John Gioia, who serves as a trustee of the Contra Costa County Employees Retirement Association. In an opinion piece in this paper last weekend, he wrote, "AB1987 is a poorly drafted piece of legislation that would cost Contra Costa taxpayers even more in the long run. It would essentially lock in prior 'pension spiking' practices under the guise that it is an 'anti-spiking' bill."

The governor has made pension reform one of his top priorities. Understandably, he has focused on retirement costs for state employees who are covered by the California Public Employees' Retirement System. But he must not ignore the local retirement systems that are also siphoning taxpayer money from public services at an alarming rate. As we've reported on these pages, some of the worst pension spiking can be found in separate county-level public employee retirement systems.

Indeed, Contra Costa has become a poster child for abuse, with workers boosting their pensions by artificially increasing the final-year salary used to calculate the retirement payments. The worst case is that of Craig Bowen, a retired San Ramon Valley fire chief, who turned his \$222,500 final-year salary into a starting annual pension of \$284,000.

Pension spiking at the Contra Costa retirement association is ubiquitous, from top managers to the rank and file. For example, in the past five years, more than two-thirds of the departing employees of the Central Contra Costa Sanitary District spiked their pensions 25 percent to 41 percent.

AB1987 started out as a bill to fix the abuses. It would change the law for 20 county-level retirement systems in California that operate under a different set of state laws than the much larger and better-known CalPERS. But union-backed amendments have undermined the legislation, turning it from reform into protection of the status quo.

That's why the California State Association of Counties and the California Foundation for Fiscal Responsibility, a pension reform group, oppose the bill. And that's why Contra Costa County Treasurer Bill Pollacek, another trustee of the Contra Costa retirement association, is speaking out against it.

"AB1987 does little to solve the pension spiking problem," Pollacek says. "Instead, it codifies current practices into law which will cost the taxpayers of Contra Costa County tens of millions of dollars. The state Legislature had a chance to fix the problem, but they allowed those who elected them, the public employee unions, to write the bill."

The bill sailed through the state Assembly. By all indications, it will have a similarly easy time in the Senate. It looks like the only defense left might be the governor. Let's hope he's listening.

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