

Pension cuts being discussed in Sacramento

By Kevin Yamamura, Sacramento Bee

Former Gov. Arnold Schwarzenegger hailed pension cuts last year as a major reform after Democrats and state worker unions agreed to concessions that ended a record-long budget stalemate.

But Republican lawmakers are clamoring for more.

Voter backlash has grown, fueled by ongoing budget deficits, significant pension liabilities and a gap between public- and private-sector benefits. It's become a national discussion, most evident in the explosive debate over a Wisconsin measure requiring public workers to contribute more to their pension costs and restricting their collective bargaining rights.

GOP leaders have yet to offer a formal counterproposal to Gov. Jerry Brown's budget to close a \$26.6 billion deficit. In recent weeks, however, some Republicans have suggested they might be willing to consider a five-year tax hike extension on the June ballot if pension changes are part of negotiations.

In California, 70 percent of likely voters told the Public Policy Institute of California last January they would favor shifting new public employees from defined pension benefits to 401(k)-style plans.

"The recession has been a big wake-up call for people about public pensions," said PPIC President Mark Baldassare. "It's something that flew under the radar for many years, without consideration of what impact it has on budgets. But now people are realizing it does have consequences for what states and localities will be able to provide."

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