

Time for Calif. to pay down unfunded liabilities

By George Skelton, Los Angeles Times

Any struggling family knows that first you put food on the table, make sure there's a roof overhead and lay in some daily essentials. Only then can you realistically think about paying down the credit card.

True, you shouldn't have run wild with the card in the first place. But that's past. Now, you create a repayment plan and muster some discipline.

That's where Sacramento sits currently with its daunting credit card debt.

The state's annual budget that covers daily expenses is finally balanced after years of recession-plagued deficits. Yes, previous politicians deserve criticism for bad planning. They gave away unaffordable tax cuts and spent lavishly, especially for generous public employee pension upgrades.

But the treasury has been replenished because of the Legislature's program cutting, Gov. Jerry Brown's soak-the-rich tax increase and a recovering economy. Moreover, two years ago, there were some modest pension rollbacks for future state employees and teachers.

Now it's time to tackle those potentially crippling credit cards – especially the unfunded liabilities for retiree pensions and benefits.

Brown listed them in January while unveiling his budget proposal. The unfunded liabilities totaled \$218 billion – including \$80 billion for teachers' pensions, \$64 billion for state retiree healthcare, \$46 billion for state employee

pensions, \$25 billion for University of California pensions and retiree healthcare and \$3 billion for judges' pensions.

The most troubling, by far, is the big hole in the California State Teachers' Retirement System, called CalSTRS.

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