

Opinion: California must deal with pension issues

By Ted Gaines

Jan. 1 marks the New Year and also the day that hundreds of new California laws go into effect. In addition to the changes those laws are supposed to bring, there are other major problems facing the state in 2015.

The budget picture is improved, but the state consistently ignores the longterm, massive, and unfunded pension costs when it makes its rosy announcements about balanced budgets.



Ted Gaines

The unfunded pension bill may be in the hundreds of billions of dollars. As municipalities in California and around the country file for bankruptcy, driven in part by lavish pension promises and the costs that follow, it's critical – for the state, for the taxpayers and for the workers – that California uses conservative, honest and transparent accounting for pensions and for all state taxing and spending.

The pension bill is going to come due and politicians are already looking at the state's improved finances and calling for increased spending. To pay for it all, I'm worried about the threat of a Proposition 30 tax extension and that legislators are going to turn to the worst and most predictable page of their playbook and raise taxes by

undermining Proposition 13. This watershed Proposition has saved citizens countless billions of dollars since 1978, but it can be altered to make it easier for cities and counties to raise taxes. I think that would be a terrible mistake. Without spending control, no amount of tax dollars will ever be enough. It's not more revenues Sacramento needs, it's more self-control.

This legislative session, I will be fighting to keep taxes down and to keep a tight lid on state spending, and looking for ways to make California the best place for businesses to prosper. A growing economy and a little common-sense fiscal discipline could inject some truth into the "balanced budget" statements we are likely to hear again in 2015.

Stay tuned for more information on Proposition 13 and other developments this year. Until then, I want to wish each and every one of you a Happy New Year.

Sen. Ted Gaines represents the 1st Senate District, which includes all or parts of Alpine, El Dorado, Lassen, Modoc, Nevada, Placer, Plumas, Sacramento, Shasta, Sierra and Siskiyou counties.