

Opinion: Pensions eating more of local budgets

By Pete Constant, Orange County Register

As more and more tax dollars are siphoned off to pay escalating public pension costs, local governments across California are increasingly struggling to provide quality services to their residents. And the problem gets worse with each passing year.

Last month, the California Public Employees' Retirement System indicated it is raising required contribution rates by more than 9 percent, a move that will cost state and local governments nearly \$600 million. This is just the first in a series of rate hikes that CalPERS plans over the next several years in an effort to become fully funded. CalPERS was just 70 percent funded after 2013, but double-digit investment returns helped it rise to 77 percent funded in 2014. But the largest pension system in the U.S. still has a long way to go before it is fully funded and able to actually pay for all of the retirement benefits that have been promised to government workers.

As these state and local pension payments and debts continue to rise, the pathways to pensions reform continue to vanish. Efforts to reform broken pension systems have been blocked by the Public Employees Relations Board and the courts.

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