



Memorandum

TO: City Council

FROM: Mayor Chuck Reed

SUBJECT: PENSION REFORM

DATE: November 23, 2011

APPROVED:

Chuck Reed

DATE:

11/23/11

INFORMATION

Listed below are a number of online articles and resources that highlight the need to address public sector retirement benefits and other significant pension reform efforts taking place across California and the United States. These materials help document the risks of a service level disaster if we fail to act, and the steps other cities and states are taking to deal with similar problems. Many of these articles have been circulated to the Council, and links to all of them are posted online at: <http://www.sanjoseca.gov/mayor/goals/budget/RetirementReform.asp>

- “Enacted State Pension Legislation” website, *National Conference of State Legislatures*: <http://www.ncsl.org/?tabid=13399>
- “Public Money” (a collection of pension articles) by Girard Miller, *Governing Magazine*: <http://www.governing.com/columns/public-money>
- “Lawmakers pass sweeping RI pension system overhaul” by David Klepper, *Associated Press*, Nov. 17, 2011: <http://www.businessweek.com/ap/financialnews/D9R2RBOG0.htm>
- “Ballot proposals seek changes in California’s pension system” by Jon Ortiz, *Sacramento Bee*, Nov. 3, 2011: <http://www.sacbee.com/2011/11/03/4026758/ballot-proposals-seek-change-in.html>
- “Calif. cities take pension reform to the ballot” by Judy Lin, *Associated Press*, Oct. 29, 2011: <http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2011/10/29/state/n083105D32.DTL&ao=2>
- “California governor wants workers to pay more for pensions” by Jim Christie, *Reuters*, Oct. 27, 2011: <http://www.reuters.com/article/2011/10/27/us-economy-california-pensions-idUSTRE79Q71620111027>
- “Pension changes can't wait” by Daniel Hancock, Chair of the Little Hoover Commission, Op-Ed appearing in the *Sacramento Bee*, Aug. 28, 2011: <http://www.sacbee.com/2011/08/28/3864677/pension-changes-cant-wait.html>

- “Catching up is hard when pensions are underfunded” by David Crane, Op-Ed appearing in the *San Francisco Chronicle*, July 29, 2011: www.sanjoseca.gov/mayor/goals/budget/PDF/Media_CraneSFChronOpEd_07292011.pdf
- “City in Rhode Island Asks Retirees to Sacrifice” by Abby Goodnough, *The New York Times*, July 19, 2011: <http://www.nytimes.com/2011/07/20/us/20centralfalls.html>
- A Proposal for Drawing a Clearer Picture of Public Pension Finances by Mary Williams Walsh, *The New York Times*, July 8, 2011: www.nytimes.com/2011/07/08/business/proposal-hopes-to-improve-disclosures-on-public-pensions.html
- “Surprise, Surprise: Pension Cuts are Legal” by Rich Danker, *Forbes*, July 7, 2011: <http://blogs.forbes.com/richdanker/2011/07/07/surprise-surprise-pension-cuts-are-legal/>
- “California Public Sector Retirement Programs and Compensation” by *Capitol Matrix Consulting* on behalf of *The California Foundation for Fiscal Responsibility*, July 2011: http://www.sanjoseca.gov/mayor/goals/budget/PDF/CFFR_RetirementReport_July2011.pdf
- “New Jersey Lawmakers Approve Benefits Rollback for Work Force” by Richard Perez-Peña, *The New York Times*, June 23, 2011: <http://www.nytimes.com/2011/06/24/nyregion/nj-legislature-moves-to-cut-benefits-for-public-workers.html>
- “California Cities Adopt Pension Reforms While Brown Negotiates” by Christopher Palmeri, *Business Week*, June 10, 2011: <http://www.businessweek.com/news/2011-06-10/california-cities-adopt-pension-reforms-while-brown-negotiates.html>
- “Public Pensions for Retirement Security” - a report by the *Little Hoover Commission*, February 2011: <http://www.lhc.ca.gov/studies/204/Report204.pdf>
- “Declarations of Fiscal Emergency: A Resurging Option for Public Entities Attempting to Deal With The Current Economic Climate” by Jonathon V. Holtzman, *The Public Law Journal*, Vol. 34, No.1: http://www.calbar.org/members_only/public/pdfs/public-law-journal_vol-34-No-1_winter-2011.pdf#page=11
- “Alabama Town's Failed Pension is a Warning” by Michael Cooper and Mary Williams Walsh, *The New York Times*, Dec. 22, 2010: <http://www.nytimes.com/2010/12/23/business/23prichard.html?emc=eta1>
- “The Funding Status of Independent Public Employee Pension Systems in California” by Joe Nation, PhD, *Stanford Institute for Economic Policy Research Policy Brief*, November 2011: http://siepr.stanford.edu/system/files/shared/people/homepage/Policy%20Brief%202012_2010%20v4.pdf
- “The Crisis in Local Government Pensions in the United States” by Robert Novy-Marx and Joshua Rauh, *Northwestern University Kellogg School of Management*, October 2010: <http://www.kellogg.northwestern.edu/faculty/rauh/research/NMRLocal20101011.pdf>