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CSEA Calls for Honesty in Discussing Public Employee Benefits

SACRAMENTO, Calif., Jan. 3 /PRNewswire-USNewswire/ -- The following statement was issued today by J.J. Jelincic, president of the 140,000-member California State Employees Association:

"In announcing the creation of a new bipartisan commission on public employee retirement benefits, Gov. Schwarzenegger said he wants the commission to examine this issue 'in a thoughtful, deliberative and open manner.' Yet his announcement contained a number of incomplete and misleading facts and figures that don't contribute to open and honest debate.

"For example, the governor proclaims that the state's contributions to its employees' pension plans increased from \$160 million in 2001 to \$2.6 billion in 2006. However, he doesn't mention that, prior to that time; the contributions had decreased from \$2.2 billion in 1997 to \$160 million in 2001. Nor does he point out that in 2001 alone, state workers contributed more than \$1.76 billion from their paychecks to the pension plan, more than 11 times what the state contributed.

"The governor would have us believe that the cost of state employees' pensions only rises. But the fact is that the cost fluctuates. Indeed, we are really not paying much more for pensions today than we were in 1997. And while the overall cost of living has increased by 25 percent over the past 10 years, the cost of state employee pensions has risen by only 18 percent during the same period.

"The governor's comments about the new accounting standards for health care benefits for public employees are also potentially misleading. These standards simply require that the so-called 'unfunded liability' be calculated and incorporated in the state's or city's balance sheet on an annual basis. The new rules do not requisite state and local governments to 'fully fund' these benefits or to even fund them at all. The bottom line is that California does not owe a dime more for employee health care benefits today than it did before the accounting standards were adopted.

"This is not a cataclysm waiting to happen. It simply requires that governments recognize the fiscal realities and devise a sound financial plan to save over time in order to fund the benefits that our dedicated public servants have earned.

"We believe that pensions and health care benefits need to be discussed in the context of total public employee compensation. Furthermore, our ultimate goal should be to insure affordable health care and secure pensions for all working families, not to reduce these benefits for public employees.

"We are hopeful that the governor truly is willing to discuss these issues in an honest, bipartisan way rather than using the slash-and-burn, anti-public employee rhetoric he tried in 2005."

CSEA is California's largest state employee organization, representing nearly 140,000 state and university workers, managers, supervisors and retirees.

SOURCE California State Employees Association