



DEBRA BOWEN

CALIFORNIA SECRETARY OF STATE NEWS RELEASE

DB14:004

FOR IMMEDIATE RELEASE
January 7, 2014

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Pension Initiative Enters Circulation

Public Employees. Pension and Retiree Healthcare Benefits. Initiative Constitutional Amendment.

SACRAMENTO – Secretary of State Debra Bowen today announced the proponents of a new initiative may begin collecting petition signatures for their measure.

The Attorney General prepares the legal title and summary that is required to appear on initiative petitions. When the official language is complete, the Attorney General forwards it to the proponents and to the Secretary of State, and the initiative may be circulated for signatures. The Secretary of State then provides calendar deadlines to the proponents and to county elections officials. The Attorney General's official title and summary for the measure is as follows:

PUBLIC EMPLOYEES. PENSION AND RETIREE HEALTHCARE BENEFITS. INITIATIVE CONSTITUTIONAL AMENDMENT. Eliminates constitutional protections for vested pension and retiree healthcare benefits for current public employees, including teachers, nurses, and peace officers, for future work performed. Permits government employers to reduce employee benefits and increase employee contributions for future work if retirement plans are substantially underfunded or government employer declares fiscal emergency. Requires government employers whose pension or retiree healthcare plans are less than 80 percent funded to prepare a stabilization report specifying non-binding actions designed to achieve 100 percent funding within 15 years. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Potential net reduction of hundreds of millions to billions of dollars per year in state and local government costs. Net savings—emerging over time—would depend on how much governments reduce retirement benefits and increase salary and other benefits. Increased annual costs—potentially in the hundreds of millions to billions of dollars—over the next two decades for those state and local governments choosing to increase contributions for unfunded liabilities, more than offset by retirement cost savings in future decades. Increased annual costs to state and local governments to develop retirement system funding reports and to modify procedures and information technology. Costs could exceed tens of millions of dollars initially, but would decline in future years.** (13-0043.)

The Secretary of State's tracking number for this measure is 1630 and the Attorney General's tracking number is 13-0043.

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The proponents for the measure, Chuck Reed, William R. Kampe, Tom Tait, Patrick J. Morris and Stephanie Gomes, must collect signatures of 807,615 registered voters – the number equal to eight percent of the total votes cast for governor in the 2010 gubernatorial election – in order to qualify it for the ballot. The proponents have 150 days to circulate petitions for the measures, meaning the signatures must be collected by June 5, 2014.

The proponents can be reached at (415) 732-7700.

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