

May 20, 2025

Assemblymember Tina McKinnor 1021 O Street, Suite 5520 Sacramento, CA 95814-4900

## SUBJECT - ASSEMBLY BILL 1383 (MCKINNOR) - OPPOSE

Dear Asm. McKinnor,

On behalf of the California Policy Center, I write in strong opposition to AB 1383 which would increase pension benefits for public safety employees by allowing for earlier retirement with higher payouts, while also reducing required employee contributions. Further, the bill does not provide any new funding to cover the resulting increase in pension liabilities of the proposal. As such, AB 1383 will dramatically increase deepen California's unfunded public pension crisis at a time when local governments cannot absorb more unfunded pension benefit mandates.

Expanding pension benefits without new funding increases pressure on local and state budgets, reducing available funds for essential government services, otherwise known as "service insolvency." We had hoped that after the PEPRA reforms in 2012 that legislators would stop playing games with these statutory retirement calculations as to not repeat the catastrophic fallout of the SB 400 implementation a quarter century ago.

This bill also undermines taxpayers' rights to public negotiations, a cornerstone of our republic. Allowing unions and government agencies to privately give away employees' 50% cost-sharing requirement will shift more costs to taxpayers without their input or oversight.

Many California leaders now admit that the expansion of pension benefits under SB 400 was a mistake, including former Gov. Gray Davis, who signed the bill. Repeating that mistake with AB 1383 would only deepen the state's long-term pension challenges. Any pension process should be open, transparent and accountable to the public and, not arranged in behind-the-scenes deals. New pension benefits should come with responsible funding mechanisms that do not put more fiscal burdens upon local governments and taxpayers.

For these reasons, we respectfully but firmly oppose AB 1383.

Sincerely,

Have Christian

Lance Christensen Vice President of Education Policy & Government Affairs