

## EDITORIAL: Feds should retreat, let state trim pension costs

Gov. Jerry Brown's administration has won an important victory in its modest effort to curb pension costs. Inexplicably, President Barack Obama's Labor Department still is trying to undermine Brown.

In 2012, Brown signed the California Public Employees' Pension Reform Act hoping to bring the staggering cost of funding retirement under fiscal control.

In 2013, U.S. labor officials reacted by claiming that the law undermines transit workers' collective bargaining rights, and by threatening to withhold \$2 billion in aid to keep California public transportation systems operating. Brown and the Sacramento Regional Transit District sued.

District Judge Kimberly J. Mueller sided with Brown in December. That should have been the end of it.

But Labor Secretary Thomas E. Perez's lawyers recently filed a notice saying they intend to appeal to the 9th U.S. Circuit Court of Appeals. Worse, the Labor Department once again is withholding transit aid to the state. Perez's action threatens every transit system in California.

Enough already. U.S. Sens. Dianne Feinstein and Barbara Boxer, and others, among them Rep. Jeff Denham, R-Turlock, who sits on the House Transportation Committee, ought to intervene on the state's behalf.

Under the old rules, regional transit employees could retire as young as 55 after working for as few as 10 years. Overtime, bonuses, shift differentials, cashed-out sick leave and used vacation could be used to calculate pension payments.

The 2012 pension reform act says that new public employees, including transit workers, must contribute more toward their pensions, and it limited the types of compensation that could be counted toward pensions. The law further limits retirement costs by basing pensions on the average of employees' highest three years of pay, and eliminating the ability of employees to spike their pensions.

The Amalgamated Transit Union filed an objection with the Labor Department, citing the impact of the pension overhaul on collective bargaining. Labor agreed in September 2013 and threatened to withhold federal transit aid, which amounts to 20% of the \$8.5 billion spent on transit in the state. Imagine Fresno's FAX bus system without federal funding. It would be severely limited.

To blunt the impact of the Labor Department's position, the Legislature approved a bill in 2013 exempting until this year transit workers from the pension overhaul. The state also sued, arguing that by withholding the funds, the Labor Department was undermining California's fiscal and legislative sovereignty.

Mueller agreed, concluding in her decision that the pension overhaul didn't give one side more power over collective bargaining, but rather made across-the-board changes in public employee pension law.

Under Obama, the Labor Department has a pro-labor bent. That's well and good. But Perez needs to display a little perspective. California's pension overhaul was modest and reasonable. New employees still will receive sweeter retirement benefits than most private sector workers.

The feds shouldn't let their pro-labor ideology get in the way of California's effort to trim runaway pension costs.