



PUBLIC EMPLOYEE POST-EMPLOYMENT BENEFITS COMMISSION

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Governor's Public Employee Post-Employment Benefits Commission Releases Report on Funding Status of Public Pension Plans

Burlingame, CA - Today, the Governor's Public Employee Post-Employment Benefits Commission released a study concluding that California's governments face an estimated \$63 billion shortfall in pension obligations. The study examined pension systems representing 99% of the state's current public pension obligations from all levels of government. State and local government pension systems including CalPERS (which covers state, California State University, and local government employees), CalSTRS (which covers California's teachers), and the University of California Retirement System, as well as city, county and special districts contributed to the study.

The California Research Bureau report concluded that the total statewide public pension obligation is estimated to be \$579.5 billion with \$516.0, or 89 percent, currently funded. The study reflects obligations as reported by each of the individual pension systems. The systems provided their most current data for the survey, responding with figures from 2005 and 2006.

"Despite the \$63 billion unfunded liability, the public pension systems are 89 percent funded, which is higher than they were in the early 1990s," said Grant Boyken, study author and Senior Research Specialist with the California Research Bureau. "Additionally, since 2004, CalPERS and CalSTRS have experienced annual returns in the double digits which are significantly higher than their assumed rates of return."

Commission Chairman Gerry Parsky said, "The Governor and Legislative leaders have given us an important charge – to quantify retirement benefits owed to our state's public employees and to recommend how best to meet these obligations in a way that will not pass the burden on to future generations or negatively impact other government services.

"As we work to develop recommendations, this survey will help us to gain a clearer picture of what is owed to public employees statewide and help us to make comprehensive recommendations to address this issue for taxpayers and our state's workforce."

The study was presented by the California Research Bureau at today's commission hearing, the 4th in a series of statewide hearings being held to educate the public and gather information from local leaders on post-employment benefits. To view today's full hearing agenda click [here](#) and

to view the entire report, "California Research Bureau Public Retirement System Survey" as presented to the commission, visit the commission website at www.pebc.ca.gov .

Governor Arnold Schwarzenegger established the 12-member Public Employee Post-Employment Benefits Commission by executive order S-25-06 in December to propose ways to address the state's growing post-employment benefits and retiree health care obligations. The commission will identify the extent of unfunded liabilities, review and analyze options for addressing them and recommend a plan to the Governor and the legislature by January 1, 2008. For more information about the commission, their mission or the commissioners, visit [the commission's website](#).

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