

BOARD OF SUPERVISORS

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May 7, 2025

The Honorable Buffy Wicks
Chair, Assembly Committee on Appropriations
1021 O Street, Suite 8220
Sacramento, CA 95814

RE: AB 1383 (McKinnor), Increased public pension formulas and cost-sharing - OPPOSE

Dear Assembly Member Wicks,

I am writing on behalf of the Kern County Board of Supervisors to express our serious concerns with AB 1383 (McKinnor) which proposes significant changes to public pension formulas and cost-sharing arrangements under the Public Employees' Retirement Law (PERL) and the California Public Employees' Pension Reform Act of 2013 (PEPRA).

At a time when counties across California are grappling with economic uncertainty, AB 1383 would impose increased and unsustainable pension costs on local governments already under severe fiscal pressure. The bill's authorization of more generous retirement formulas for safety members, combined with expanded responsibility for employers to cover portions of employee contributions, represents a significant financial burden that our county simply cannot absorb. These proposed changes would cost Kern *at least \$13 million in increased annual costs*.

While supporters of the bill may argue that the proposed changes are not mandatory and are subject to collective bargaining, the reality is that merely introducing more generous pension formulas sets a new benchmark, one that unions will inevitably seek in negotiations. These discussions often take place in an environment where counties have limited leverage, especially when under pressure to attract or retain public safety personnel, thereby compounding long-term fiscal risk.

This legislation also comes at a time when the broader economy is facing destabilizing pressures from international tariffs, supply chain volatility, and ongoing inflationary trends. Simultaneously, California is facing a projected state budget deficit, raising the likelihood of reductions in local funding, while potential cuts at the federal level further endanger the essential programs and services counties are responsible for delivering.

Counties are on the front lines, and we deliver core services including public safety, public health, and social services. Any increase in pension liabilities limits our ability to recruit and retain staff, maintain fiscal stability, and respond flexibly to future economic disruptions or emergencies. While

we recognize the importance of fair and sustainable retirement benefits, this bill moves in the opposite direction of needed reform by expanding obligations without a clear path for funding them.

The current PEPRA framework strikes a necessary balance between sustainability and fairness. AB 1383 would undermine those reforms and expose counties like ours to long-term financial risks we are ill-equipped to manage in the current economic climate.

For these reasons, the Kern County Board of Supervisors respectfully opposes AB 1383 and urges you to vote NO on this measure due to the financial implications it will have on all jurisdictions.

Sincerely,

A handwritten signature in black ink, appearing to be 'LP' or similar initials, written in a cursive style.

Leticia Perez, Chair
Kern County Board of Supervisors

CC: Honorable Members, Assembly Committee on Appropriations
Honorable Members, Kern Legislative Delegation
California State Association of Counties
Shaw Yoder Antwih Schmelzer & Lange