



OFFICE OF THE GOVERNOR

February 2, 2012

The Honorable Gloria Negrete McLeod  
California State Senate  
Conference Committee on Public Employee  
Pensions, Co-Chair  
State Capitol, Room 4061  
Sacramento, CA 95814

The Honorable Warren Furutani  
California State Assembly  
Conference Committee on Public Employee  
Pensions, Co-Chair  
State Capitol, Room 6025  
Sacramento, CA 95814

Dear Senator McLeod and Assembly Member Furutani,

Attached is the statutory and constitutional language necessary to implement the 12-point pension reform plan I presented to your committee on October 27<sup>th</sup>, 2011. These major reforms for state and local pension systems will improve their long-term sustainability while providing employees a fair retirement. These reforms also will end system-wide abuses and reduce taxpayer costs by billions of dollars over the long term.

Current benefits, contributions and retirement ages don't reflect the changing demographic realities we face and are not sustainable. Continuing these plans in their current form will put taxpayers on the hook for substantial costs now and in the future. Urgent and decisive action is imperative.

I look forward to working with you, your colleagues and the rest of the legislature to enact serious pension reform as soon as possible.

Sincerely,

A handwritten signature in black ink that reads "Edmund G. Brown Jr." with a large, stylized flourish at the end.

Edmund G. Brown Jr.

cc: The Honorable Darrell Steinberg, Senate President pro Tempore  
The Honorable John A. Pérez, Speaker of the Assembly  
The Honorable Bob Huff, Senate Republican Leader  
The Honorable Connie Conway, Assembly Republican Leader