



## Talking About Pension Reform & Spending Caps

Throughout your advocacy work, the issue of pension reform and/or spending cap proposals may come up in discussions with legislators, staff members, or the media.

While the HHS Network encourages partners and allies to avoid bringing up these issues in their conversations, the following messaging points are available to help frame responses when these issues arise.

### General Response to spending caps and pension reform proposals:

- California doesn't have a spending problem – *we have a revenue problem*. Projected revenues for 2011-12 are \$41.4 billion lower than anticipated – while state spending has declined significantly over the last decade – and will continue to do so under the Governor's proposed budget.
- What California needs now is to maintain the revenues needed to sustain investments we've always made in our people.

### Spending Caps:

- Spending caps inhibit health care and human services programs from carrying out their most basic and primary function – responding to social emergencies and helping Californians in times of need.
- A spending cap would create an artificial ceiling for health care and human services – even at a time when essential services have been significantly reduced for the most vulnerable Californians. Such a cap would also inhibit California from bringing in much-needed Federal matching funds pivotal to our economic and family recovery.
- A spending cap would also force additional cuts to health and human services because it fails to take into account rising health care costs – which are growing faster than inflation.

### Pension Reform:

- Wall Street greed, not public employees, is responsible for robbing the pension system and causing the economic meltdown that depleted revenues. Pension reform doesn't even begin to address the real problems at hand – and offers no solution whatsoever.
- Most retirees on pensions get comparatively small checks (under \$20,000/year), and legally only new employees can have their pensions cut. Therefore, any impacts from cutting pensions wouldn't be felt for decades. Even if ALL pensions were eliminated, California's deficit would still total in at \$16 billion.