

# Public Sector Pay: Transparency and Perspective

Jon Coupal Jan 25, 2015

Public sector labor leaders in California would rather that the public remain relatively ignorant about how well their members are compensated. But they are fighting a losing battle.

Because of California's massive unfunded pension liability and other scandals, the public is demanding answers. Interests as diverse as taxpayer groups, business organizations, the media and some elected officials have moved aggressively, not only to address these problems, but also to ensure that there is much greater transparency about public sector compensation than we have seen in the past.

For example, attorneys at Howard Jarvis Taxpayers Association won several Public Records Act lawsuits against government interests – mostly at the local level – who were attempting to shield their compensation data from the public. And PensionTsunami.com is a website which for years has been a clearinghouse for articles on pension abuses.

But it is not just conservative interests who are shining the light. Left of center newspapers like the Sacramento Bee and San Jose Mercury News, have fought very hard to expose the truth on employee compensation. Self-styled progressive John Chiang developed a powerful data base open to the public about state worker pay when he was California's Controller. He is now the State Treasurer and we hope he continues his efforts.

Public sector labor is pushing back against all this disclosure asserting that compensation is not excessive in California. For example, they recently claimed that pension benefits are comparable to Social Security payouts. But a new study by Robert Fellner, Research Director for TransparentCalifornia.com, shows that some retired public employees are receiving five times as much in pension benefits – mostly at taxpayer expense – as comparable private sector retirees receive from Social Security. The objective here is transparency, not a war against public employment. We all know someone who works for government and many are extremely competent in their jobs and deserve the pay they get. But there are several aspects of public sector compensation that aggravate taxpayers.

First is the lack of accountability. Taxpayers would gladly pay the highly competent more if government managers were empowered to fire the incompetent, indolent and criminals. Taxpayers and parents chafe at the fact that school districts can't even fire child molesters without jumping through bureaucratic hoops costing much in both time and money.

Second, citizens are very concerned about how much of public sector compensation will be assumed by future generations, especially pension benefits and guaranteed health care for life. This is not a legacy of which we should be proud to leave our children.

Third, the personnel practices in government are totally out of sync with the private sector. Just last week, the Center for Investigative Journalism reported that thousands of state workers are hoarding vacation time. Unlike the vast majority of workers in the real world, some state employees will be able to cash out their vacation time worth hundreds of thousands of dollars when they retire.

Fourth, generous compensation for public employees would be far more palatable if others were doing well. But they aren't. California continues to have one of the highest unemployment rates in the nation and we rank number one in poverty. The economic recovery, trumpeted by political leaders in Sacramento, is shaky at best as many have simply given up looking for work. While so many Californians have seen a decrease in income and opportunity, businesses large and small continue to flee the state to escape high taxes and costly regulations.

Transparency and a more realistic perspective toward public sector compensation will be critical to California's future. It is simply not healthy to have one segment of the citizenry treated as a protected class to the detriment of everyone else.

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