PSPRS board urges Brewer to call special session

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The board that oversees Arizona's pension system for police, firefighter and other public safety employees voted to urge Gov. Jan Brewer to call a special session to fix funding problems in the state's public employees' pension system, though it declined to recommend the only concrete plan proposed so far.

In a 6-1 vote, the Public Safety Personnel Retirement System board of trustees called for a special session for the Legislature to refer a pension reform measure to the November ballot. The board pledged its support for legislation that would improve PSPRS's funding levels by reducing the cost-of-living bonuses that retirees receive.

Board members said Brewer is supportive of a special session to tackle the pension issues and that she had asked PSPRS to officially endorse the idea.

But a spokesman for Brewer indicated that nothing is set in stone. A key lawmaker said he'd rather wait until after 2014 and that there isn't a lot of support in the Legislature for another special session this year.

The PSPRS board did not officially recommend a plan drawn up by the Professional Fire Fighters of Arizona. In an earlier 6-1 vote, the board rejected a motion that would have officially recommended the firefighters' plan.

Board member William Davis proposed the amendment that removed the reference to the plan.

“We’re not sidelining it. But how many proposals are out there? There could be 10 proposals. I don’t want to be married, as a board, to one particular proposal and end up fighting the plus(es) or minuses of that on a policy basis, rather than just providing expert testimony or expert information,” Davis said during the 90-minute discussion.

Gregory Ferguson, vice chairman of the board, said the firefighters’ proposal was good and that the board should officially endorse it.

“I don’t like everything that’s in here. But we’ve got to move forward,” he said. “We can’t just sit here and wait for something to fall out of the sky. And this kind of fell out of the sky.”

Tim Hill, president of the Professional Fire Fighters of Arizona, said Brewer wanted a recommendation from the board and wanted to call a special session on the pension issue. If something isn’t done soon, he said, the issue will likely have to be pushed off until November 2016, at which point the pension’s funding situation would be worse.

If Brewer and lawmakers want to refer something to the November ballot, the special session would have to happen soon to meet county election officials’ ballot printing deadlines. According to Maricopa County election officials, the Legislature must approve something by July 1 in order for it to get on the ballot.

After the meeting, Hill said he was disappointed that the board didn’t endorse the firefighters’ plan. But he said he still expected the majority of the plan to form the basis of the legislation if there is a special session.

“It was certainly disappointing because it really is the only plan. So in some ways, I guess it doesn’t make a huge difference,” Hill said.

Hill said there would likely be some minor tweaks to the plan. The Phoenix Law Enforcement Association, for example, has some minor issues with the firefighters’ plan, Hill said. But he said he was optimistic that the issues could be resolved.

Phoenix Law Enforcement Association treasurer Will Buividas said his organization had some issues with the firefighters’ plan, but that it was largely supportive.

“We’re on the same page. The trains are going in the same direction. And I do think it would be helpful to have the board at least support the call for special session,” Buividas said during the meeting.

Brewer spokesman Andrew Wilder said there haven’t been any discussions on the possible special session since Governor’s Office staff met with supporters of the firefighters’ plan in mid-May.

“Our office had an initial meeting on this reform issue a few weeks ago. At that time we publicly noted that no decisions or agreements had been made,” Wilder said.

Rep. Phil Lovas, who chairs the House Insurance and Retirement Committee and has met with backers of the pension reform plan, said he doubted that a special session

would even happen. Lovas, R-Peoria, said he would prefer to wait and see the results of a City of Phoenix pension reform measure so the Legislature can gauge public support. He suggested the possibility of referring a wider-ranging pension reform measure to the ballot than the one proposed by the firefighters.

Lovas also said there's little enthusiasm among lawmakers for another special session.

"I don't see much of an appetite for people to do a special session on this, at least from the members' point of a view," he said. "I haven't heard any hue and cry from the Legislature."

Lovas also predicted that a special session on pension reform would be quite contentious.

"My own personal opinion is we'd be better off just finishing this session on a positive, unanimous note with CPS reform than delving into what I expect to be a very contentious pension reform," Lovas said. "It would not be an easy, couple-day session. I think you're going to see a lot of different people with a lot of different ideas."

Senate President Andy Biggs' spokesman said he was unsure of the senator's position on a possible special session. A spokesman for House Speaker Andy Tobin, the brother of PSPRS board chairman Brian Tobin, could not be reached for comment.

The firefighters' proposal would increase employee contributions while reducing employer contributions. Cost-of-living adjustments would come out of a specific COLA fund that would be funded by employee contributions. COLAs would be limited to 3 percent per year, among other changes.

The proposal would replace 2011 pension reform legislation that was struck down by the Arizona Supreme Court.

Due to that ruling, PSPRS also approved the payment of about $24.6 million in COLA payments to 14,598 retirees. The payments had been suspended while SB1609, the 2011 pension reform bill, was in effect.