

**Editorial**

## Disappointing punt on flawed California Rule

Municipalities, government reformers and public-employee unions have anxiously waited for the California Supreme Court to rule on a pension case that, without exaggeration, may determine the future solvency of localities. It centers on the “California Rule” — a series of rulings dating to 1947 that forbid governments from rolling back future pension benefits. Pension debts are consuming local budgets. Without changes to that rule, cities have few choices but to raise taxes or reduce public services to make ends meet.

The court released its decision Monday and ... drum roll, please: Instead of offering relief, it punted on the central issue. The justices’ logic is reasonable enough, but the real-world result is California governments face a growing pension-debt crisis with no path to reform. Specifically, the court ruled against a firefighters’ union claim that California’s 2012 pension-reform law eliminating one particular benefit was an unconstitutional taking of vested pensions. However, it chose not to even look at the overall California Rule issue, thus leaving the status quo in place.

The case, Cal Fire Local 2881 v. CalPERS and the State of California, involved something known as “airtime.” It is a maddeningly generous giveaway by which government employees were able to buy five fictional years of service, at an unrealistically low price, and dramatically boost their final, ongoing pension payout. The Brown administration slashed the benefit as a way to control the state’s burgeoning pension costs.

In defending his reform, former Gov. Jerry Brown argued that the offering was not a contractual right, but a deal that the Legislature could change. The high court agreed: “We conclude the opportunity to purchase (air-

time) credit was not a right protected by the contract clause. ... (U)nlike core pension rights, the opportunity to purchase (airtime) credit was not granted to public employees as deferred compensation for their work, and here we find no other basis for concluding that the opportunity to purchase (airtime) credit is protected by the contract clause.”

That’s the good news. Airtime — like other secondary benefits — is not a vested benefit. The pension law stands. Airtime was a bad idea, but rolling it back makes little financial difference in the overarching world of California pensions. However, a lower court found that public employees only have a right to a “reasonable pension,” which heightened our expectations for a more fundamental revision of the way pension benefits are handled. In its court brief, the Brown administration also pushed for a wider review of that 1940s-era rule.

The high-court justices refused to go there. Because airtime was never a contractual right, “we have no occasion to address the second issue raised by the parties: whether the elimination of the opportunity to purchase (airtime) credit was an unconstitutional impairment of public employees’ vested rights,” according to the unanimous ruling penned by Chief Justice Tani Cantil-Sakauye.

The state high court referred to friend-of-the-court briefs urging it to modify or eliminate the rule, but decided instead to express no opinion on that matter, leaving it intact.

That’s unfortunate. The court had the opportunity to help California municipalities and taxpayers, but instead took a narrow path that leaves a pressing matter for another day. It is the very definition of a punt. We waited anxiously for nothing.

**Question of the Week**

## What now for state’s shorter bullet train?

How far is it you thought California’s long-promised high-speed rail system was going to go?

San Diego to Sacramento? Or a southern start instead in Anaheim? Or simply Los Angeles to San Francisco?

Whichever version you believed was promised to the state as a coming transit option, Gov. Gavin Newsom in his first State of the State address threw cold water on the already dwindling bullet-train flames by saying the route would for the foreseeable future be limited to a link between the Central Valley cities of Bakersfield and Merced.

It’s no knock on our fellow Californians living in that rural, agricultural stretch of the state to say that the new proposed train route is, well, entirely undramatic.

Then came the news that the project will probably run out of money even before track can be fully laid on the new, vastly shorter train line.

However diminished, is the more realistic proposal still worth it for taxpayers as an investment in a longer rail route sometime in the future?

Or is the bullet train such a preposterous boondoggle that a stop-work order ought to be implemented tomorrow so

that our state can stop throwing good money after bad?

That’s our Question of the Week for readers.

Who and what is to blame for the debacle? How is it that other countries — from communist China to capitalist Japan to in-between France and Spain — can build vast, commercially successful high-speed rail networks and yet California apparently cannot?

If the project is to be entirely abandoned, what would you do with the construction work that has already been performed?

Was the route the problem in the first place? Rather than detouring through Central Valley cities, should the planned train have been aimed straight up the middle of Interstate 5, so that new land did not have to be acquired by the state?

Does the high-tech fiasco make you more inclined to support the California autobahn proposal of state Sen. John Moorlach, R-Costa Mesa, to add no-speed-limit lanes to the 5 and 99 instead?

Email your thoughts to [opinion@scng.com](mailto:opinion@scng.com). Please include your full name and city or community of residence. Provide a daytime phone number (it will not be published).

**PERMANENT HOUSING**

## Businesses helping solve OC homelessness issues

By Lucy Dunn and Helen O’Sullivan

A pervasive and spiraling problem of homelessness in Orange County continues to dominate media headlines and water-cooler discussions even after a year of progress.

With a goal of housing 2,700 people experiencing homelessness, Orange County’s elected officials have stepped up to fund new shelters, Orange County United Way’s public education campaign reminds us of the facts and economic impact of deferring solutions, health organizations have made remarkable advances expanding mental health services for the most vulnerable, and national attention around hundreds camped along the Santa Ana River — promising otherwise to come to a community near you — have abated for now.

But shelters, while important, are temporary solutions, not permanent housing. They are a Band-Aid and, frankly, a by-product of the overall lack of housing supply needed. Gov. Gavin Newsom has stated clearly his goal to increase the state’s housing by 3.5 million homes to meet jobs and population growth in California. All Orange County cities, not just a few, must push to do their part. As a wise man once said, “Many hands make light work.”

In that spirit, Orange County’s business community will engage as well. Orange County’s world-class quality of life, growing and diverse economy and economic strength is what differentiates us. It’s a key driver in attracting top talent, high-paying jobs and retaining best-in-class employers. Homelessness is not a positive indicator, to say the least, and as OC United Way reminds us, these are family members, workers, neighbors, students and veterans. They are us.

So how can the private sector help? Certainly in advancing OC United Way’s efforts, as well as in praise and support for those brave elected officials doing the right thing in their communities — advancing more housing projects — even over the noisy objections



JEFF GRITCHEN — STAFF FILE PHOTO

People living on the Union Pacific Railroad easement along the 5 Freeway between Brookhurst Street and Euclid Street clear their belongings in Anaheim on March 13, 2018.

of NIMBYs.

Further, two leading authorities, Orange County Business Council and NeighborWorks Orange County, have come together to re-establish and pump up the volume on another non-profit asset, the Orange County Housing Trust (OCHT).

OCHT follows an effective model that has celebrated nearly 20 years of making affordable and permanent supportive housing a reality in the Bay Area. Since its formation in 2000, Housing Trust Silicon Valley (HTSV) has invested \$131 million in programs that created nearly 15,000 affordable housing opportunities for its community. The trust also raised \$50 million dollars in less than two years from the business community to help end homelessness. HTSV is well on its way.

And while small today, OCHT will also focus on affordable and permanent supportive housing throughout Orange County through private capital contributions, wise investments, grants and project loans, leveraging public funding efforts already underway, including the good work of the Association of California Cities — Orange County and its new Orange County Housing Finance Trust (AB448).

Already, Disneyland Resort has proudly stepped up as a

leader in the business community in support of this effort, committing the first \$5 million to OCHT’s efforts and asking other business leaders to join with it. OCHT has identified its first project with an investment in an affordable and permanent supportive housing project on Manchester Avenue in Anaheim led by Jamboree Housing, with land contributed by the city of Anaheim. Once complete, the project will deliver 102 housing units for families, some making \$32,800 or less annually. That’s just one project with many more needed to end homelessness in every Orange County community.

Indeed, many hands make light work: public leaders, agencies, healthcare, business, private partners, non-profit organizations and more have aligned to advance an important test of any great community: How did you care for your most vulnerable? What did you do to end homelessness?

For more information on how your business can contribute to the success of OCHT’s mission, contact us.

*Lucy Dunn is president and CEO of the Orange County Business Council. Helen O’Sullivan is president and CEO of NeighborWorks Orange County.*

**Letters**

**We asked readers, Should John Wayne Airport be renamed?**

**Don’t blame someone for mistakes made in past**

I do not believe you can hold a person accountable for what he said or did not do in another time, long ago. I have many occasions where I am ashamed of what I didn’t do or say years ago.

People have the right to grow with time and change with those times. John Wayne was a film hero and that’s what he is remembered for, not for being a great human being.

— *Winston Creel, Fullerton*

**Name makes no sense**

I was a travel consultant from 1976 to 2005 in Pasadena and then South Pasadena. I found it bizarre when the Santa Ana Airport name was changed

to John Wayne Airport.

It’s a name that makes no sense and is referred to throughout the world and the industry as Orange County Airport.

I suggest that the name be changed to something that relates to the reality of the airport instead of honoring someone who doesn’t deserve that honor.

— *Maureen Mehler, Laguna Woods*

**John Wayne an icon**

The Duke was one of Orange County’s greatest citizens. I am proud the airport is named after him.

— *Mary Kelly Stabile, Tustin*

**Time to ditch name**

I have always been baffled about the renaming of Orange County Airport after a movie star.

I hope John Wayne was more than his statements in the Playboy interview, but his words are damning, then and now. His views were arrogant and cruel.

Orange County International Airport is a solid name. Time to ditch the Wayne name.

— *Sylvia Nelson, Long Beach*

**Let’s not change history**

Leave John Wayne Airport alone. It’s past time to stop trying to change history. Instead, use this as a teaching moment to show how far we have come.

We still have a ways to go, but we are learning. Changing history will not help.

— *Sandra Stubban, Stanton*

**He hated the airport**

John Wayne hated the planes flying over his home, and I’m sure he felt the same way about the source of the problem.

— *Denny Bean, Fullerton*

**MALLARD FILLMORE:** By Bruce Tinsley

