

Prop. 125: Public Retirement System

**Arguments Submitted “For” Prop. 125**

As Trustees of Arizona’s Public Safety Personnel Retirement System – responsible for overseeing the retirement fund serving more than 59,000 state employees, including current and retired corrections officers, police officers, fire fighters and elected officials – we unanimously ask you to join our Board in SUPPORTING PROPOSITION 125.

Your YES vote on this carefully crafted bipartisan pension reform measure will help save Arizona taxpayers an estimated \$275 million over the next several decades. Proposition 125 also will shore up the state’s underfunded Elected Officials’ Retirement Plan and the Corrections Officer Retirement Plan.

The passage of Proposition 125 will relieve the pressure faced by overburdened taxpayers and by municipalities, counties and state agencies all across Arizona. Prop 125 will also free up revenue to fund community services families rely on, like public safety, education, safer roads and infrastructure.

Just like Proposition 124 – a pension reform measure voters passed by a landslide in 2016 – Proposition 125 seeks a small, but meaningful change to the Arizona Constitution. This change helps protect the middle class retirement promised to members of PSPRS and puts in place a reasonable Cost of Living Adjustment for retired members – an adjustment tied to Consumer Price Index changes for the Phoenix and Mesa metropolitan-area as determined by the U.S. Bureau of Labor Statistics.

The Board of Trustees, appointed by Governor Doug Ducey and the Legislature, comprises experienced members of the public safety community and investment professionals with decades of financial experience. Along with a bipartisan group of legislators and leaders in the public safety and public service sectors, we believe that Proposition 125 is a smart, fair step that will help taxpayers, Arizona communities and the thousands of members who depend on our agency to secure their future.

Vote Yes on Proposition 125.

PSPRS Board of Trustees

**Brian P. Tobin, Chairman, Phoenix, Will Buividas, Vice-Chairman, Phoenix, William C. Davis, Trustee, Phoenix, Edward J. McNeill, Trustee, Phoenix, Harry A. Papp, Trustee, Phoenix, Bryan Raines, Trustee, Phoenix, Mike Scheidt, Trustee, Phoenix, Dean M. Scheinert, Trustee, Phoenix, and Donald A. Smith, Jr., Trustee, Phoenix**

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VOTE YES ON 125!

Arizona voters should look upon Proposition 125 for exactly what it is: A strong, common-sense solution to help put an end to the pension crisis that threatens our taxpayers and our local governments. VOTE YES on Proposition 125 on the general election ballot.

As a state lawmaker, I am proud to have helped lead the legislative effort to reform the pension benefit formula for the Corrections Officer Retirement Plan and the pension plan for elected officials and the judiciary, which passed the Legislature UNANIMOUSLY. VOTING YES on Proposition 125, you are helping local governments and supporting taxpayers by saving an estimated \$275 million in escalating public pension costs.

For years, these pension plans have remained battered from market crashes while recovery was hampered by challenging economic environments. Even worse, state law required substantial pension increases on an annual basis – even when public investments lost billions of dollars during events like the Great Recession.

Proposition 125 helps these plans recover and protects thousands of retirees by replacing a convoluted pension formula that is contingent upon market returns with a guaranteed, simple cost-of-living-increase that ensures retirees’ pensions are protected from inflation. This, in turn, decreases the amount local governments and state agencies must pay to protect the public pension system’s ability to provide the benefits our public retirees were promised and have earned.

Proposition 125 is a bipartisan solution to a problem recognized by everyone – state and local governments, public employees, investment professionals and retirees who spent their careers serving our great state. Please join me in voting YES for Proposition 125 to save taxpayers millions and avoid future tax increases while upholding promises made to retirees.

David Livingston, District 22

Arizona House Appropriations Chairman

J.D. Mesnard, District 17

Speaker of the Arizona House of Representatives

**David Livingston, Arizona House Appropriations Chairman, District 22, Arizona House of Representatives, Peoria and J. D. Mesnard, Speaker of the Arizona House of Representatives, District 17, Arizona House of Representatives, Chandler**

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I am a Pinal County Supervisor and this year I have had the honor of serving as President of the Arizona County Supervisors Association. As elected officials responsible for sound financial management of county government, county supervisors across the state have been very concerned about the contractual liabilities of public pensions and the strain they place on limited resources. Specifically, high pension costs are burdening local taxpayers and crowding out available resources for vital public health, criminal justice and road maintenance responsibilities. In recent years, county officials have been encouraged by the leadership of Arizona State Legislators and the Governor to implement bi-partisan, common-sense reforms to protect the taxpayer while addressing the needs of public service personnel. For example, in 2016, the legislature passed and the voters overwhelmingly approved a measure reforming the pension system for police, sheriff’s deputies and firefighters.

Now, with your support, Prop. 125 will implement similar essential legislative reforms for the pension systems for elected officials and for the men and women who protect the public by working in our state prisons, county jails, and probation departments. These reforms will help

rein in costs and protect the taxpayer, while providing a sustainable benefit for existing retirees and a private sector-type defined contribution program for future employees.

Prop. 125 is the right policy for the taxpayer and the public employee. Please join me in voting YES on Prop. 125

**Anthony Smith, Pinal County Supervisor, District 4, Maricopa**

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Underfunded public pensions are one of the biggest challenges that states and local governments are facing across the country. That's why I worked tirelessly in 2016 and 2017 on legislation to reform the police, firefighter and correctional officer's pensions and that's why I am asking Arizona voters to vote YES on Proposition 125!

In Arizona, our public pensions are underfunded by billions of dollars and the shortfall has consequences for local governments and taxpayers. Proposition 125 – like the reforms in 2016's Prop 124 which passed overwhelmingly by the voters – saves hundreds of millions of dollars by taking a well-intentioned but harmful pension increase formula and replacing it with a simple cost-of-living-increase.

Proposition 125 will save \$275 million and help save the plan for the workers that rely on it. That's real money that governments can use for other vital services, including education, public safety and job creation, and it helps protect Arizona residents from future taxes.

I ran for office to represent my constituents by working to solve real problems. I worked across the aisle and with all those involved to get this done. Together we agreed a crisis was on the horizon if we didn't act. We worked together for a common-sense solution that protected taxpayers' wallets, local governments' budgets, and the pensions of retirees who dedicated their lives to public service.

I am proud of my efforts at the state legislature to reform our public pension systems. Please join me in voting YES on Proposition 125.

**Debbie Lesko, Former Arizona State Senator, Peoria**

*Sponsored by Debbie Lesko for Congress*

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As elected members of the Arizona State Legislature, we have worked hard with public employees and agencies to help fix Arizona's underfunded pension systems. We are asking Arizonans to VOTE "YES" ON PROPOSITION 125 to protect taxpayers and essential government services.

Proposition 125 provides a reasonable reform to stabilize and improve the pension systems that serve thousands of Arizona's corrections officers, judges and elected officials. In 2016, Arizona voters overwhelmingly passed the similar Proposition 124 which protected taxpayers and the pension system for police officers and firefighters.

These reforms help fix budget threats to municipalities, state agencies and county governments – and help overburdened taxpayers who fund them. We are proud that these proposals are bipartisan and supported by the governor, public employee associations, local governments and business associations alike. While stakeholders in other states have obstructed necessary pension reforms and avoided addressing this crisis, here in Arizona we recognized the problem and worked together to find a solution.

This simple proposition replaces a faulty pension increase formula with a fair and reasonable cost-of-living-adjustment that is common to most public pension systems. This small but meaningful change will save Arizona taxpayers about \$275 million over the next several decades and it will help bring financial health to our pensions. It also helps local governments serve their communities by freeing up funding for services like public safety, education, parks and libraries.

We voted unanimously to put Proposition 125 on the ballot because we believe it strikes the appropriate balance between fulfilling retirement promises made to public employees and lowering the burden on the taxpayers they serve. Please join us and VOTE “YES” ON PROPOSITION 125.

**Karen Fann, Senator, LD1, Prescott, Noel Campbell, Representative, LD1, Prescott, David Stringer, Representative, LD1, Prescott, Andrea Dalessandro, Senator, LD2, Green Valley, Rosanna Gabaldon, Representative, LD2, Green Valley, Daniel Hernandez, Representative, LD2, Tucson, Olivia Cajero Bedford, Senator, LD3, Tucson, Sally Ann Gonzales, Representative, LD3, Tucson, Macario Saldate, Representative, LD3, Tucson, Lisa Otondo, Senator, LD4, Yuma, Charlene Fernandez, Representative, LD4, Yuma, Geraldine Peten, Representative, LD4, Goodyear, Sonny Borrelli, Senator, LD5, Lake Havasu City, Regina Cobb, Representative, LD5, Kingman, Paul Mosley, Representative, LD5, Lake Havasu City, Sylvia Allen, Senator, LD6, Snowflake, Brenda Barton, Representative, LD6, Payson, Bob Thorpe, Representative, LD6, Flagstaff, Jamescita Peshlakai, Senator, LD7, Window Rock, Wenona Benally, Representative, LD7, Window Rock, Eric Descheenie, Representative, LD7, Chinle, Frank Pratt, Senator, LD8, Casa Grande, T.J. Shope, Representative, LD8, Coolidge, David Cook, Representative, LD8, Globe, Steve Farley, Senate Minority Assistant Leader, LD9, Tucson, Randall Friese, House Minority Assistant Leader, LD9, Tucson, Pamela Hannley, Representative, LD9, Tucson, David Bradley, Senator, LD10, Tucson, Todd Clodfelter, Representative, LD10, Tucson, Kirsten Engel, Representative, LD10, Tucson, Steve Smith, Senator, LD11, Maricopa, Mark Finchem, Representative, LD11, Oro Valley, Vince Leach, Representative, LD11, Tucson, Warren Petersen, Senator, LD12, Gilbert, Eddie Farnsworth, Representative, LD12, Gilbert, Travis Grantham, Representative, LD12, Gilbert, Sine Kerr, Senator, LD13, Buckeye, Darin Mitchell, Representative, LD13, Goodyear, Tim Dunn, Representative, LD13, Yuma, Gail Griffin, Senate Majority Whip, LD14, Hereford, Drew John, Representative, LD14, Safford, Becky Ann Nutt, Representative, LD14, Nancy Barto, Senator, LD15, Phoenix, David Farnsworth, Senator, LD16, Mesa, Steve Yarbrough, Senate President, LD17, Chandler, Jeff Weninger, Representative, LD17, J.D. Mesnard, Speaker of the House, LD17, Chandler, Sean Bowie, Senator, LD18, Phoenix, Jill Norgaard, Representative, LD18, Phoenix, Mitzi Epstein, Representative, LD18, Tempe, Lupe Contreras, Senate Minority Co-Whip, LD19, Avondale, Mark Cardenas, Representative, LD19, Phoenix, Diego Espinoza, Representative, LD19, Tolleson, Kimberly Yee, Senate Majority Leader, LD20, Phoenix, Paul Boyer, Representative, LD20, Glendale, Anthony Kern, Representative, LD20, Glendale, Rick Gray, Senator, LD21, Sun City, Tony Rivero, Representative, LD21, Peoria, Kevin Payne, Representative, LD21, Peoria, Judy Burges, Senator, LD22, Sun City West, David Livingston, Representative, LD22, Peoria, Ben Toma, Representative, LD22, Peoria, John Kavanagh, Senator, LD 23, Fountain Hills, Jay**

**Lawrence, Representative, LD23, Scottsdale, Michelle Ugenti-Rita, Representative, LD23, Scottsdale, Katie Hobbs, Senate Minority Leader, LD24, Phoenix, Ken Clark, Representative, LD24, Phoenix, Bob Worsley, Senator, LD25, Mesa, Rusty Bowers, Representative, LD25, Mesa, Michelle Udall, Representative, LD25, Mesa, Juan Mendez, Senator, LD26, Tempe, Isela Blanc, Representative, LD26, Tempe, Athena Salmon, Representative, LD26, Tempe, Catherine Miranda, Senator, LD27, Laveen, Reginald Bolding, Representative, LD27, Laveen, Rebecca Rios, House Minority Leader, LD27, Phoenix, Kate Brophy McGee, Senator, LD28, Phoenix, Kelli Butler, Representative, LD28, Paradise Valley, Maria Syms, Representative, LD28, Paradise Valley, Martin Quezada, Senate Minority Co-Whip, LD29, Phoenix, Richard Andrede, Representative, LD29, Glendale, Cesar Chavez, Jr., Representative, LD29, Phoenix, Robert Meza, Senator, LD30, Phoenix, Ray Martinez, Representative, LD30, Phoenix, and Tony Navarrette, Representative, LD30**

***Sponsored by Senator Karen Fann***

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I urge you to vote “yes” on Proposition 125. This measure, which has broad bipartisan support, helps safeguard taxpayers and businesses of all sizes by reducing the potential for future tax increases to support public pension systems.

Proposition 125 provides a simple fix to an unsustainable pension increase formula for Arizona’s retired corrections officers, elected officials and judges. This change allows these public pension plans to provide promised retirement benefits while also reducing state and local government’s long-term pension costs.

The trend of rising public pension expenses threatens to crowd out other vital government services that make Arizona’s cities and towns attractive to businesses and employees. Simply put, our governments’ abilities to pay for infrastructure, transportation, and other needs will continue to decline as they are forced to divert more and more money to cover increasing public retirement expenses.

Now is the time to act to put reasonable limits on future increases to pension benefits. Proposition 125 is a bipartisan and commonsense solution that replicates landmark reform passed in 2016 that put the police and firefighter pension on the path towards financial health.

Without this measure, state and local governments could soon face a major decision: Cut needed and basic services or raise taxes to make up the difference. As a state business leader who is concerned about Arizona’s competitive standing nationally, both of these options are bad for the state’s economy and future growth.

Please join me in supporting Proposition 125!

Glenn Hamer  
President and CEO  
Arizona Chamber of Commerce and Industry

**Glenn Hamer, President & CEO, Arizona Chamber of Commerce & Industry, Phoenix**

*Sponsored by Arizona Chamber of Commerce & Industry*