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Gavin Newsom's Finest Hour

It isn't often we praise California Gov. Gavin Newsom, but credit when it is due. On Sunday the Democratic Governor vetoed legislation that would have raised pensions for public-safety unions and mortgaged state taxpayers even more than they already are.

Government unions had hoped to use the current political and economic moment to pad their pensions. A buoyant stock market has reduced state and local government unfunded pension liabilities. And in an election year, politicians of both parties running to remain in office like to win support from the police and firefighter unions.

A large bipartisan majority of the Legislature whooped through a bill this summer that would have rolled back many of former Democratic Gov. Jerry Brown's pension reforms. Unions bet that Mr. Newsom wouldn't dare invite their fury by vetoing the bill as he prepares for his expected 2028 presidential election.

But as he explained in his veto message, the bill would have reduced the retirement age for public-safety employees hired after the Brown reforms to 55 from 57. It would also have raised the cap on an employee's earnings that count toward a pension (to \$221,400 from \$191,679 for public safety officers and to \$184,500 from \$159,733 for other workers).

It also would authorize a new, more gener--ous pension formula that public-safety employees and local governments could negotiate in collective-bargaining. This would have teed up pension boosts for other unions. "By widening the retirement benefit gap between safety members and non-safety members, this measure invites future changes that would expose our retirement system to additional risk," Mr. Newsom wrote. He's right.

State and local governments are still paying dearly for retroactive pension sweeteners awarded during the dot-com bubble. For every dollar that a highway officer earned in compensation last year, the state paid 71 cents toward his pension. Local governments opposed the bill because they would be on the hook for paying much of the cost of the Legislature's pension giveaways.

The invariable result would have been even higher taxes and cuts to public services, which would be magnified if financial markets tumble. That's what happened after the 2008-09 financial panic. The Brown pension modifications were a "necessary reform born of a crisis exacerbated by past policy decisions," Mr. Newsom wrote, and "this is an era of California history I do not want to repeat."

It's rare that taxpayers prevail against government unions in Sacramento, but this victory is worth celebrating.

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