

## **Opinion: Put pension funds to work creating jobs in California**

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We just celebrated Labor Day, and more than 1 in 10 adults in California are out of work, with Santa Clara County faring just a little better than the state overall. We need jobs and we need them now.

In the mid-1980s, Reagan Tax Reform was stealing the headlines much like pension reform is dominating the headlines today. Financing for major infrastructure investment had all but disappeared. And federal tax reform had just killed tax-exempt bonds as a tool for private investment in needs like affordable housing. But in rode a knight in shining armor to backfill the gap left by the private sector and the federal government: That well-heeled, dashing investment risk-taker was none other than pension funds.

Family businesses like my own, back then, trying to make the change from farming to development, were able to invest heavily in the 1980s during a bad recession with the leverage provided by pension fund investment trusts. So here is an old idea for new job creation today: Let's connect CalPERS, the largest public pension fund in the U.S., with the agencies eager for investments to upgrade California's public infrastructure.

If invested prudently, even a small allocation of CalPERS's \$230 billion in assets could create tens of thousands of jobs in California. Some would be here in Santa Clara County, where 91,100 people are unemployed. Every \$1 billion in investments could generate up to 14,000 jobs.

The Wall Street-fueled bubbles and busts of the last decade collapsed our national economy and left millions languishing in unemployment lines. While California corporations are raking in record profits, they are expanding their foreign work forces at a faster rate than California's. Unlike the corporations,

domestic pension funds are motivated to invest in American jobs. By doing this, CalPERS would have a golden opportunity to play a significant role in improving the state's economy.

California's infrastructure desperately needs an overhaul, from the electric grid to transportation. CalPERS's investments in clean energy, transportation or health care would create a significant number of jobs. What makes this idea truly a win-win is that CalPERS could increase its return on investment by investing in these projects.

One example here in Santa Clara County is the San Jose/Santa Clara Water Treatment Plant. Built in 1956, it needs an overhaul. The cost of rebuilding it is estimated at \$1.8 billion, generating more than 16,000 jobs over the life of the project.

In Santa Clara County the sky is the limit for solar and other alternative energy projects. In a conference call with the White House recently, I was told that solar is the one area of the economy ripe for a jobs explosion.

The Board of Supervisors recently took advantage of a limited issuance of low-interest bonds earmarked for alternative energy projects to break ground on several exciting solar installations. These projects benefit taxpayers threefold: They create immediate jobs, significantly reduce the county's \$30 million annual energy bill and reduce carbon emissions. If CalPERS would earmark investment dollars for such bonds today, counties all over California would jump at the opportunity.

As president of the Board of Supervisors, I have a vested interest in seeing CalPERS do well by its members. Santa Clara County is the second largest agency with members in CalPERS, just behind the state. That is why I will be traveling to Sacramento in the coming days to urge the CalPERS board to invest in jobs locally.

My office hears from constituents every day who are suffering due to job losses. The time to create jobs is now, and this initiative will do just that.

***DAVE CORTESE** represents District 3 on the Santa Clara County Board of Supervisors. He wrote this for this newspaper.*