

Op Ed Baltimore Sun

Isn't it ironic?

In its editorial [*"Police and fire fighters' misguided protest,"* Feb. 2], the paper calls on police and fire fighters to refrain from picketing the June 2011 U.S. Conference of Mayors because it could hurt city business.

The irony of that suggestion is impossible to overlook. The Baltimore Sun, once a grand institution of the free press in America, is urging the city's police and fire fighters to refrain from exercising their rights under the First Amendment of the U.S. Constitution.

It is inconceivable for a newspaper to suggest that any group should be silent. What will the Sun think of next in its bid to silence the city's first responders?

Thankfully, the Baltimore Sun does not get to decide how fire fighters or police communicate their concerns to the public. Picketing is not just an act of free expression it is also a great way to let the public know where one stands on an issue. It is democracy in action. Just like a free press also represents democracy in action.

The U.S. Conference of Mayors would be a prime opportunity for fire fighters to communicate their concerns. U.S. mayors from coast to coast are grappling with the same difficult fiscal issues facing Baltimore. Many of them are working with their fire fighters to resolve these challenges while keeping their cities safe. Some, like Mayor Stephanie Rawlings-Blake, unfortunately are using exaggerated claims of fiscal stress to tear up agreements they have negotiated with their fire fighters and police.

Mayor Rawlings-Blake and the city council have unilaterally shredded agreements regarding pay and pension benefits with Baltimore's first responders, while boosting her own pension benefits. She has repeatedly rejected efforts by Baltimore fire fighters and fire officers to sit down and find common ground on important public safety issues.

This is wrong, and Baltimore fire fighters will be heard. The fire service is a calling. Fire fighters commit to this career of public service understanding the risks of injury and death. Part of that commitment includes the promise of compensation that fairly matches the dangers of their job.

Baltimore fire fighters will always honor their commitment to the people of Charm City, no matter how much their image is tarnished in the public square. But they will not stand silent while Mayor Rawlings-Blake shirks her duty to keep people safe.

Harold Schaitberger

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Op Ed
The Huffington Post

Deceitful politicians fan flames, rely on smoke and mirrors

By Harold Schaitberger

The recession has left a trail of victims – people who have lost their jobs, their homes and their dignity.

The truth has also fallen victim to the recession, giving politicians the “justification” they need to place a target on the backs of fire fighters in order to skew the debate about pensions and put hard-working men and women on the defensive.

In an era of revenue shortfalls and budget deficits, fire fighters have become scapegoats of mayors, governors and corporate opportunists who have grossly misrepresented the facts in the public discourse over unfunded pension liabilities.

Rather than explain how they mismanaged pension funds over many years, politicians are changing the conversation and screaming from California to New Jersey that fire fighter pensions are too generous.

What they’re not saying is that they are responsible for the unfunded liabilities. They are responsible for riding the wave of pension plan investment profits and putting off making annual pension payments for years. They are responsible for creating pension payment holidays and failing to make actuarially required payments. Now their misjudgments leave them facing much larger pension bills.

Playing the Blame Game

Politicians crave easy explanations for complicated problems, many of their own making. They desperately need someone to blame.

So when New Jersey Gov. Chris Christie began pointing fingers at public employees, many people were misled and accepted his fiction as fact. What the governor didn’t say is that his state routinely failed to make payments into its pension plans. Workers made their payments without exception, but since 2001 the state of New Jersey has never made more than 58.8 percent of the required annual pension contributions to the pension fund for police and fire fighters, and it completely skipped making payments from 2001-03, starving the fund of \$304 million during that period.

New Jersey had a \$7.5 billion pension surplus as recently as 2000, but years of failing to make its actuarially required contribution led to an unfunded liability of \$34 billion in 2008, according to the Pew Center on the States.

That should be illegal, but it's not. Many states that have robbed people of their retirement security are blaming workers for the crime. Newly elected Florida Gov. Rick Scott has followed Gov. Christie's ploy, blaming public employees for his state's problems while conveniently neglecting to mention that his state's pension fund for fire fighters has projected funding of 87.9 percent.

New York Gov. Andrew Cuomo, another Christie copycat, doesn't mention that his state's pension fund for fire fighters was funded at 103.8 percent as of April 2009!

A fact sheet released Feb. 1 by 10 government organizations shows that the vast majority of state and local pension funds are pre-funded, with more than \$2.7 trillion in assets held in trust for current and future retirees. Only 3 percent of state and local budgets are dedicated to pension contributions, with the lion's share coming from employees and market returns.

The governors and others who want to use the recession as an excuse to skewer public employee pensions are opportunists taking their direction from greedy Wall Street bankers who desperately want to convert defined benefit plans to defined contribution plans so they can charge them higher fees and boost their profits. It's all about the money. In 2005, they tried the same thing with Social Security, but we fought them off.

Newt Gingrich, the former Speaker of the House who enjoys a generous federal pension, is pushing a cock-eyed scheme to let states file for bankruptcy so they can abrogate collective bargaining agreements. This would make it "legal" to plunder wages, pensions and benefits – a recipe for disaster. By destroying the retirement security of middle-class workers – the economic foundation of our great country – Gingrich's bankruptcy scheme would cause more fiscal carnage than the economic devastation we've witnessed over the past two years

Fire fighters are not economists, but we recognize the fiscal realities. The recession has forced thousands of fire fighters to go from the frontlines to the unemployment line since 2007. We recognize we have a role in helping our communities cope with budget shortfalls, and fire fighters across the nation have willingly reopened collective bargaining agreements to give back or delay raises and renegotiate benefits to cut costs.

But the shrill cries of the public officials who want to stoke voter anger and blame public workers for bloated budgets and unfunded liabilities are egregious deceptions. Pension payment holidays are responsible for the unfunded pension liabilities, and public officials are the ones who decided to take those holidays. Now the recession has revealed their mismanagement, and the bill has come due.

Blaming workers is more misguided than politically expedient. Wall Street and the stewards of the public budgets who are complicit in the concerted attack on workers want to cast shame on fire fighters for protecting the pensions that they have worked so hard to earn.

But fire fighters' pensions are not a gift from the government. The terms of our pensions have been negotiated over decades. They represent hard-earned savings accrued over years of service – often at great risk – and provide retirement security.

Fire fighters know a smoke screen when we see one, and the concerted effort by politicians to place a target on our backs adds disgrace to the discredited policies they practice that caused unfunded liabilities in the first place.

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O p Ed
USA Today

Governors are singing the wrong tune

By Harold Schaitberger

An increasing number of governors are joining New Jersey Governor Chris Christie's anti-worker chorus.

Too bad they're all off key.

Wall Street's recklessness, not public employee pensions, caused our nation's financial collapse. Scapegoating workers won't solve anything.

We so desperately want easy explanations for complicated problems. We want someone to blame.

So when Governor Christie began pointing fingers at public employees, many people were eager to accept his fiction as fact. But the governor conveniently neglects to tell people that his state routinely failed to make payments into their pension plans. Workers made their payments without exception, but since 2001 the state of New Jersey has never made more than 58.8 percent of the required annual pension contributions to the pension fund for police and fire fighters, and it completely skipped making payments from 2001-03, starving the fund of \$304 million during that period. That should be illegal, but it's not. Too many states have robbed people of their retirement security, but they are blaming workers for the crime.

Newly-elected Governor Rick Scott, in Florida, has followed Governor Christie's lead, blaming public employees for that state's problems. He also conveniently neglects to mention that his state's pension fund for fire fighters is 90 percent funded.

New York Governor Andrew Cuomo, another Christie disciple, conveniently neglects to mention that his state's pension fund for fire fighters is funded at 105 percent.

The governors and others who want to use the recession as an excuse to skewer public employee pensions are opportunists with little regard for the truth. They are taking their direction from greedy Wall Street bankers, who desperately want to convert defined benefit plans to defined contribution plans so they can have access to the billions of dollars of retirement savings that they can't touch now. In 2005 they tried the same thing with Social Security – which most fire fighters are prohibited from collecting – and we barely fought them off. Now they're setting their sights on fire fighters and other public employees.

Like so many governors, Newt Gingrich also is using the recession as an excuse to take aim at public employees. He believes that letting states file for bankruptcy so they can abrogate collective bargaining agreements with public employees to skewer wages, pensions and benefits will solve our nation's problems. But it's a recipe for disaster. The former House speaker's bankruptcy scheme would cause

more fiscal carnage than the economic devastation we've witnessed over the past two years by destroying the retirement security of middle class workers, the economic foundation of our great country.

Our nation needs a conversation about important issues that affect the middle class. We need to create jobs.

We are public servants, not public enemies. But a growing chorus of anti-worker lawmakers and Wall Street bankers want to convince the nation that workers are the problem. We don't like the sound of that.

Harold Schaitberger is general president of the International Association of Fire Fighters.

Op Ed

The Wall Street Journal

On behalf of Wall Street, states go after public pensions

By Harold Schaitberger

Workers have been under siege since the recession began. Allowing states to go into bankruptcy and walk away from their moral and legal obligations to public employees would continue the assault and hasten the destruction of the middle class.

The bankruptcy scheme designed by Newt Gingrich has the appearance of a think-tank white paper drafted by bean counters and policy wonks who prefer to envision the world as they wish it could be, not as it really is.

If we decided during the recession that banks are too big to fail, it stands to reason that states also are too big to fail.

Given the opportunity to file for bankruptcy, states would have the latitude in court to abrogate contractual obligations, skewer wages, pensions and benefits. The pension plan and health care benefits that Mr. Gingrich and other current and former members of Congress are entitled to would remain intact. Hypocritical politicians would be spared from making any sacrifice.

So where is this clarion call coming from?

Mr. Gingrich is taking his direction from bankers, who desperately want to convert defined benefit plans to defined contribution plans so they can charge higher fees and boost their profits. It's all about the money.

He is looking out for Wall Street bond traders and investment houses, because a state's ability to wipe away pension obligations would ensure that it has more capital to pay creditors.

There is no doubt that investors and bankers rank higher than workers in Mr. Gingrich's think-tank plan. But the bankruptcy scheme would cause more fiscal carnage than the economic devastation we've witnessed over the past two years by destroying the retirement security of middle class workers, the economic foundation of our great country. Allowing states to file for bankruptcy isn't just misguided, it is economically irresponsible.

It's also unnecessary. Mr. Gingrich and other opponents of public employees repeatedly trumpet the same mistruths about public employee pensions – pension obligations are out of control, they are a financial albatross, fiscal doom is on the horizon unless the outrageous benefits of these untouchable elitists aren't reigned in.

The gaping hole in the logic is large enough to carry the freight train holding Mr. Gingrich's personal wealth. Most pension funds for fire fighters remain sound. Those that aren't can be repaired.

First responders aren't economists, but even fire fighters and paramedics understand that these are challenging times. That's why so many have gone back to the bargaining table, agreeing to pay cuts and negotiating concessions to reduce wages and benefits. First responders will continue to help public officials overcome fiscal hardships because everyone has a role to play in overcoming this brutal recession. Not just workers.

Governors, talking heads and presidential hopefuls like Mr. Gingrich all want a scapegoat. Public employees have provided intellectually lazy finger pointers with an easy target for their bottomless pit of attacks.

But the discussion surrounding public employee pensions is riddled with mistruths and generalizations. The pension funds of fire fighters – most of whom do not receive Social Security benefits – are in good fiscal health in many states. Drastic pension underfunding is the exception, not the rule.

Newly-elected Governor Rick Scott, in Florida, blames public employees for that state's financial problems, but that state's pension fund for fire fighters is 90 percent funded, which independent analysts consider extremely fiscally healthy.

New York Governor Andrew Cuomo, blames public employees for his state's fiscal problems, but that state's pension fund for fire fighters is funded at 105 percent.

In Indiana, the pension fund for fire fighters is funded at 93 percent.

Wall Street's recklessness caused our nation's financial collapse. Public employee pensions didn't cause the problem, and enabling states to walk away from their obligations won't solve a single problem. But it will help further enrich Wall Street at the expense of the middle class.

The middle class has paid dearly over the past two years. As our country struggles to emerge from the lingering effects of a debilitating recession, we need to concentrate on creating jobs and getting people back to work. We need to concentrate on rehabilitating the middle class. Taking aim at workers with laws that will destroy the retirement security of millions of Americans won't contribute to our nation's recovery.

Someone who wants to run for president should be able to understand that.

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