



Politicians' stocking stuffer a lump of coal for taxpayers

By Jim Waters

Imagine the reaction from a frustrated Kentuckian returning home – exhausted from a dismal day of job-hunting and waiting in line at the unemployment office – only to read on the front page of the newspaper about a [463-percent increase in the pension fund](#) for Kentucky lawmakers.

The governor talks about lean days ahead for Kentuckians and state budgets that must reflect the economic times. Yet, legislators sent to Frankfort as *part-time* servants of the people have become [full-time moochers](#) at the public trough.

Guess who's providing the slop? Yep, taxpayers.

In 2005, legislators slipped changes into the law that allows them to take state jobs and use those jobs – to help themselves to [super-rich pensions](#).

How many part-time workers at your business get to determine their wages and on top of that, set themselves up for life with plush pensions – all for a few months of work, an occasional committee meeting and Rotary club speeches? Toss in a few taxpayer-backed junkets and “voila,” you have the sequel to “It’s a Wonderful Life.” Just make sure you cast a devil and not an angel.

Case in point: Sen. Dan Kelly, R-Springfield served 19 years as a state senator, including a stint as majority leader. Should he have made \$254,574.83 as a part-timer in the five years between 2004 and 2008? A greed grab? You decide.

On top of that, Kelly was appointed to a judgeship by Democratic Gov. Steve Beshear, who's creating greed grabs for Republican senators by luring them away from the Senate with offers of plum state jobs.

Beshear wants to [wrestle political control](#) of the Senate away from Republicans, who stand in the way of his expanded-gambling agenda.

Here's how the “Madoff Pension Pyramid Scam” works: Beshear offered Sen. Charlie Borders, R-Russell, a seat on the Public Service Commission. Because of the new pension law, Borders, who earned an average of \$43,594 annually in salary during his three highest-earning years in the Senate, now earns \$117,000 a year – a 168-percent raise – as a PSC commissioner.

“Bingo,” Senator!

But that's not the worst of it for taxpayers in the Beshear & Borders version of Political Monopoly.

Taxpayers also foot the bill for Borders' legislative pension based *not* on his pay as a legislator but on his highest-earning years in a state job.

Cozy, eh? Costly, too.

The loony law passed in 2005 means Borders gets a *legislative* pension totaling somewhere in the minimum range of \$730,000 more than he would have received – despite the fact he’s *no longer a legislator*. The same law allows Beshear to hand Kelly a cool \$2.3 million just to de-horse Senate President David Williams in an attempt to return to the days of a one-party system in Frankfort.

What should make unemployed Kentuckians even more ticked off is that this distorted Kentucky Legislators Retirement Plan has been rigged to benefit the powerful ruling class in blatantly corrupt ways.

For example, House Speaker Greg Stumbo, D-Prestonsburg, will collect a public pension of some \$98,000 annually – that’s just his pension – based on his tenure as the state’s high-paid attorney general, a position he held when lawmakers quietly enacted “Pensiongate” in 2005.

Stumbo indicted former Gov. Ernie Fletcher and others for abusing the state workers’ merit system. Yet, he’ll accept a bloated pension based on his former position as attorney general rather than his much-longer tenure as a part-time legislator.

What credibility will Stumbo have when trying to address an issue that most threatens the future fiscal health of the commonwealth: the nearly \$30 billion owed the state workers’ retirement systems?

My guess: Very little – unlike the amount of his pension.

— *Jim Waters is director of policy and communications for the Bluegrass Institute, Kentucky’s free-market think tank. Reach him at jwaters@freedomkentucky.com. Read previously published columns at www.bipps.org.*