



## 'Cherry' picking the paltry pension reforms

By Jim Waters

The calendar shows a new year.

However, the recent backpedaling on reforming the state's pension system shows Frankfort's political class remains mired in failed policies of the past.

True to form, Rep. Mike Cherry, D-Princeton, whose public-service resume is long on big government and razor thin on serving taxpayers, filed a bill that would undo miniscule state-pension reforms enacted by House Bill 1 during a special legislative session this past summer.

We could do without Cherry's form of "public service," which actually does taxpayers a big "dis"-service.

His plan would pull the plug on a requirement that county governments within five years fully fund a retiree's health-care benefits. Cherry wants to give county governments twice as long to do that – even though they now only contribute 33 percent of the money needed to keep the systems solvent.

Gov. Steve Beshear jumped on Cherry's go-back-in-time machine and endorsed the bill.

How convenient. Now that the election's over, Beshear — who took pre-election political credit for arm-twisting legislators into agreeing to lukewarm pension-reform measures — now backpedals faster than a bicycle-riding clown under a circus big top.

County governments only paying one-third of the money needed and getting twice as long to start paying full freight significantly impacts Kentucky's retirement systems, which already face a combined \$29- billion shortfall. Allowing counties to delay full payment gives the state's retirement systems less money to invest and less interest to gain.

Beshear justified his "lost interest" in pension reform by expressing hope that the economy would recover enough in the years ahead to save the pension system.

Can you imagine if corporate chief executive officers ran businesses on hope?

"That's crazy," said Warren Rogers, president of W. Rogers Company, a general contracting firm in Lexington. "That's no reform at all. Uncertainty like that would run my company out of business."

Which is why smart companies in the private sector have addressed pensions.

Yet, public-sector union bosses bellow like stuck pigs every time any conscientious political or business leader mentions the possibility of state workers sharing more of the burden for their health-care and retirement costs – like most private-sector workers now do.

Taxpayers need to start squealing.

For too long, Kentuckians have paid for benefits for state workers far more lavish than most taxpayers could ever hope to get for themselves. And I guarantee you that many of those taxpayers work longer than the 37.5 hours per week with every other Monday off. But the fat cats slopping at the taxpayer-filled feeding trough in Frankfort get that sweet deal.

During the 2008 "Pension Lite" special session, lawmakers avoided getting close enough to stick the pig, but it still squealed.

House Democrats rejected a proposal offered by Senate President David Williams, R-Burkesville. It called for borrowing money to ensure the state honored its obligations to current employees and retirees. But it also called for a more affordable benefits system for all new hires.

Yet, state-worker union thugs misrepresented the Williams plan through fear mongering – falsely claiming current retirees would lose their benefits. And House Democratic bosses continued their trend of presiding over failure rather than leading the state through the economic wilderness.

As a result, the commonwealth faces a fate similar to that of the antiquated automakers that refuse to change failed management models and squelch unreasonable labor-union demands.

Those "leaders" eagerly await a bailout from the federal government.

What a way to run a state and begin a "new" year.

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