

## Unions Out to Head Off State Convention That Could Erode Benefits

■ Say 'Poisoned' Climate Puts Pensions, Protections in Jeopardy of Reduction

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By RICHARD STEIER |

The State AFL-CIO will lead a union push against Governor-elect Andrew Cuomo's proposal to hold a state Constitutional Convention out of concern that changes regarding public-employee pensions and other economic benefits might find their way onto the agenda.

Mr. Cuomo has told union leaders that his intent is to seek ways to amend the process for preparing and ratifying a budget, which others have criticized as unwieldy and impractical. Lieut. Gov. Richard Ravitch earlier this year proposed that the state fiscal year start July 1 rather than April 1 for the same reason, noting it would permit a better estimate of tax revenues than is allowed under the current fiscal calendar.

### 'Anything Can Go'

State AFL-CIO President Denis Hughes said during a Nov. 12 phone interview, however, that while Mr. Cuomo "has told us his intention is not to go after the economic protections," labor leaders were concerned that in the current political climate a convention might wind up with "the emphasis [being] on pension rights, economic security. Anything can go into a Constitutional Convention."

Then-Gov. George Pataki sought to convene one in 1997, but furious lobbying by the State AFL-CIO and its member unions headed it off, and Mr. Hughes said a similar effort will be mounted should Mr. Cuomo propose one next year. "We're gonna fight really hard to stop a wholesale gutting of the labor protections in the State Constitution," he said. In addition to pension rights, labor standards and prevailing-rate protections could also be challenged.

There recently have been editorials and op-ed pieces in the city's tabloids calling for repeal of the Triborough Doctrine of the state Taylor Law, which guarantees that if a wage contract expires, its provisions continue in effect until a new deal is reached. Those articles claimed this unfairly permits some employees to receive salary increments without their union actually having to negotiate, and serves as a disincentive to collective bargaining.

That portion of the law was intended as a protection for public workers who under another provision of it were forbidden to strike and faced severe penalties if they did so. It was meant as a safeguard against management refusing to bargain in good faith because it was looking to save money in a time of fiscal crisis.

### Tier 5 Hasn't Eased Pressure

Although the state's two largest unions, the Civil Service Employees Association and the Public Employees Federation, last year agreed to a less-costly, more-onerous Tier 5 pension system for new members, Mayor Bloomberg—who got only the United Federation of Teachers to agree to a similar shift—Governor Paterson and editorial boards have continued to call for further reductions for future hires. Union support for incumbent State Comptroller Thomas P. DiNapoli was spurred in part because the opponent he narrowly defeated in the Nov. 2 election, Republican Harry Wilson, had called for scrapping traditional defined-benefit pensions in favor of 401(k) plans under which benefits are based on how much an employee contributes rather than his or her length of service and salary during the final years of that service.

Mr. Cuomo, asked during a joint appearance with Mr. Paterson Nov. 9 whether he was considering Mr. Wilson's proposal, responded, "Everything is on the table. We'll consider all options next year."

Mr. Hughes questioned why the Wilson plan should be prominent in state discussions when it would do virtually nothing to deal with the current \$9-billion state budget deficit. Even the Tier 5 plan, as both Mr. Bloomberg and Mr. Paterson have noted, would not produce major savings until 20 years after it took effect, because they stem primarily from pushing back the retirement age for many workers and reducing what they would be eligible to collect once leaving the payroll.

But a memo by Uniformed Fire Officers Association President Alexander Hagan that was obtained by this newspaper makes clear the worry that what Mr. Hughes described as "an ideological change" could gain momentum in the political heat of a Constitutional Convention.

### Cites 'Hostile Atmosphere'

"Public opinion on public employees' salaries and benefits has been poisoned to a degree many of us have never seen before," Mr. Hagan's memo stated. "Holding a Constitutional Convention in this hostile atmosphere would be comparable to trying a criminal case in the press."

The police and fire unions have been particularly angered by editorials over the past two years criticizing the pension rights of their members and focusing on a handful of cases in which their retirees are receiving six-figure disability pensions, in some cases while also working in other physically strenuous jobs or taking part in athletic competitions.

Attempting to counter what he called a distortion of reality, Mr. Hagan said his union's records for the past 40 years showed that fire officers—who had to be in excellent physical condition when they were hired—lived to an average age of 72, six years below the norm for other American males.

That disparity will worsen in the near future, his memo said, because of the thousands of firefighters who "have been sickened from their work at Ground Zero." While 48 percent of fire officers retired on accidental disability pensions during the seven years prior to 9/11, 66 percent retired for such disabilities in the seven years immediately afterwards. That was not including the 31 firefighters who died prior to retirement since 9/11 on top of the 343 FDNY members who lost their lives responding on that day to the World Trade Center terrorist bombings.

### Points to 'Restart' Boon

Mr. Hagan also contended that Mr. Bloomberg has been the prime beneficiary of the "pension restart" that was approved by the Legislature a decade ago following an agreement between the unions and then-Mayor Rudy Giuliani that also had the blessing of Mr. Pataki and then-State Comptroller Carl McCall. As a result, he stated, "Through five years (from 2001 to 2005) the city saved approximately \$2.5 billion in contributions to its five pension funds."

The unions have argued that this savings has created a misleading picture in which the Mayor talks about the city's soaring pension costs in recent years, because they were artificially low in the early part of the decade as a result of the restart.

Mr. Hagan concluded the memo by saying, "The Power Brokers have forgotten about that drain on our pension funds, but we are going to remind them."

