

FEA Frontline Report

Day 18 of the 2011 Legislative Session

March 21, 2011

House Committee passes sweeping FRS 'reform' bill

Why do we need public employee pension reform? According to Rep. Ritch Workman (R- Melbourne) it's because "60 will be the new 30!" That's GREAT news! Let's party like it's 1999! Actually — that would be 1981 since the Representative just knocked 30 years off our age! Workman suggested that this startling fact was the reason behind raising the retirement age and years of service requirement. Best reason we've heard so far for massively reforming the stable, secure, Florida Retirement System (FRS). Far better than the reality behind this bill.

Let's be honest, no matter how much Botox we can inject and how many days we hit the treadmill, [HB 1405](#) is not about our youthfulness. It's about disguising a tax on working families to balance the state budget. It has nothing to do with the stability of the FRS. **It is about balancing the state budget.**

The House State Affairs Committee passed HB 1405 by Rep. Workman by a party line vote of 13 to 6, with all Republicans voting for the bill and all Democrats against.

The bill was significantly amended by what is called a "strike-all" amendment (which was not available electronically at the time this report was written). The bill now:

- Requires a 3 percent employee contribution rate
- Closes DROP to new participants effective July 1, 2011
- Increases the retirement age and years of service for members of FRS who initially enroll on or after July 1, 2011. The change in age and years of service does not apply to any person who is currently a member of the FRS – only new hires.
- Does NOT eliminate the retiree health insurance subsidy

At the same time they are demanding that public employees "share the pain," they are looking at giving corporations more tax breaks. If passed, this bill will mandate that public employees "contribute" between \$750 and \$3,000 of their annual paychecks to pay into their pension.

"We don't like to use the word 'tax' around here. Well tax, tax, tax, tax, tax, tax, tax! This is a TAX," Rep. Jeff Clemens (D-Lake Worth) proclaimed. HB 1405 is a hefty income tax on teachers, ESPs, police, firefighters and other public employees, plain and simple.

The next stop for this bill is the [House Appropriations Committee](#) – no date for the hearing has been released at this time.

Thanks to our brave members Nancy McDonald, Sheila Young, B Grassel, and Ana Ciereszko for testifying before the committee against the FRS changes!

Senate Appropriations

Here's the best summary of budget plans we could find: After questioning the need for public employee pension reform during this week's Senate Appropriations meeting, Sen. Paula Dockery (R- Lakeland) was quoted "At the end of the day, we're not strengthening the fund, we're balancing the budget. If we're doing it to strengthen the fund, that's a legitimate reason. If we're doing it to balance the budget, I'm not so sure that's a legitimate reason."

We're back to a familiar theme of balancing the state budget on the backs of those who can least afford it -- the elderly, the sick, the poor and public employees. Here's the skinny:

- about \$1 billion in cuts to public schools
- Per pupil funding cut of \$423 (\$6,811 per-pupil would fall to about \$6,388)
- about \$678.6 million less in state spending on public pension benefits through mandating a 3% of salary employee contribution to the FRS pension plan

As one news report put it "despite the Tallahassee spin, lawmakers are making the changes to balance the budget not reform the pension system, and paying teachers less -- whether the hit is absorbed through less of a state-funded contribution toward retirement, or a flat-out 3 percent cut to teacher salaries -- is a means to an end."

Budget process countdown begins

The House will release its version of the General Appropriations Act and Implementing bills on Friday morning (March 24). The Senate will release its version on Monday March 28 in the evening. They will begin hearing the bills in committee March 30 in the House and March 31 in the Senate. Finally, the bills will be heard on the House and Senate floors on April 6 with debate and final passage on Thursday, April, 7.

Union Gag bill poised for House floor vote

Today Rep. Chris Dorworth (R-Heathrow) presented HB 1021 on the floor of the House. Debate and final vote will come on Friday (March 25). This is the bill would prohibit automatic payroll deductions from public employees' paychecks for union dues and purposes of political activity. That means it would prohibit dues deductions through the traditional mechanisms established for educational employers. As you may recall, this is the House version of SB 830 sponsored by Sen. John Thrasher(R-Jacksonville).

Questions? Call FEA Public Policy Advocacy at 850.224.2078