

Tricks of the trade: When a concession isn't

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One of the tricks elected officials use when under pressure to cut spending, a mandate confronting all levels of government, is to pare back projected increases - and call it cutting the budget. Officials still end up spending more than the year before; just not as much as they initially proposed. It's known as "smoke and mirrors".

This same scenario often unfolds during contract negotiations. Ask for megabucks and gold-standard benefits, and when the demands are ratcheted down, pitch it as a cutback. Thus the Neshaminy teachers union this week put on a Power Point show for PTOs and district booster clubs - hardly a critical audience - at which they reviewed their latest offer to the school board. Among the so-called concessions: cutting their demand for three years' worth of retroactive pay increases from 100 percent to 80 percent.

This generous offer comes amid the worst economy since the Great Depression. Not only have millions of workers lost their jobs, a lot of people fortunate enough to still have a job either haven't seen a raise in years or remain on the payroll thanks to wage and benefit cuts.

While we're on the topic of health benefits, the union has proposed a contribution by its members of 8 percent of cost. Considering teachers now receive free benefits, the 8 percent represents real movement. But it's not nearly enough movement.

Sure, the union has proposed scaling back their Rolls Royce plan to a Cadillac plan, which would cost taxpayers less. But the fact is, folks in the private sector typically contribute 25-35 percent of the cost of their health insurance, which rises to several thousand dollars for family coverage. And whatever they contribute, private sector workers are pretty much guaranteed that they'll pay more the following year as rising medical costs show no sign of reversing direction. The teachers union, on the other hand, has proposed locking in its proposed 8 percent contribution for the three-year term of their contract proposal.

The union also is willing to increase eligibility for retirement benefits from 10 years to 15 years. And it would limit to \$25,000 the retirement bonus teachers are eligible to receive - now capped at \$27,500 - after 20 years of service. Call it a retirement gift. And that's before the pension kicks in. What! No gold watch?

Here's another so-called concession: Retirees and their spouse would remain eligible for district health benefits - for their rest of their lives - but other family members would be cut off. You might call this a Trojan Horse in that it ain't what it seems. Fact is, most retirees are probably empty nesters anyway. So how much savings could the district yield from such a shallow offer?

Look, we don't mean to be negative, but you can't ask for more and call it less. As school board President Ritchie Webb put it, most of the union's concessions are "for things they never had."

And then there's the matter of extrapolating a better year investment-wise for the state's pension fund into a long-term boon for school districts. Fact is, the pension system just posted on its website 10 years' worth of anticipated increases in school district contributions, starting with a 12.36 percent hike next year and rising to 27.76 percent in 2020/2021. Based on Neshaminy's current payroll and the current contribution rate of 8.65 percent, taxpayers will have to shell out an additional \$67.5 million - additional! - over those 10 years to help keep the fund solvent.

Meanwhile, non-public workers will somehow have to adjust to private retirement accounts that have shriveled in value during the current hard times - while paying more to ensure teachers' comfortable retirements.

No wonder citizens are backing the school board's position that it cannot afford the union's demands. What's telling is union President Louise Boyd's response: just raise taxes.

The trick is convincing taxpayers that the union is giving stuff up. Our advice: Look behind the curtain of rhetoric.

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