

# Civil Servants Find Themselves Cast in Unlikely Role -- Fat Cats

Teachers, Cops and Firefighters Confront Growing Backlash Over Benefits

By RICH BLAKE

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Move over Wall Street traders -- seems there's a new vampire squid in town. Civil servants?

Passage Tuesday of a [controversial bill](#) sending billions of dollars to states to shore up payrolls for public school teachers further stoked the debate over whether government employees, their unions and their benefits packages are bankrupting the country.

"[The bill] will make the teachers unions happy, but it won't make teaching in schools better," said Rep. John Kline, R-Minn., at a press conference Tuesday during which he and other Republican leaders criticized legislation earmarking \$26 billion in aid for school districts and other state agencies.

As the recession grinds on and states struggle to close budget gaps, a spotlight is shining on the salary and benefits collected by public sector professionals, including teachers, police officers and firefighters. They once commonly were viewed as the salt-of-the-earth backbone of America. But now, they are more often than not being portrayed as a boilerplate around taxpayers' necks.

"As a society, we meant well but we overpromised," said Carol Kellerman, president of the Citizens Budget Commission, a New York City nonprofit group that seeks to curb wasteful spending of taxpayer dollars. "These benefits to civil servants are no longer sustainable."

From cash-strapped California, where the public school teachers have been hammered as the highest-paid in the country, to Connecticut, where an assistant police chief in New Haven recently made headlines for retiring at age 48 with a six-figure annual pension, public workers, fairly or not, are increasingly the target of public scrutiny and scorn.

"We're in a difficult economic situation right now where a lot of people in the private sector are losing their jobs and benefits," said Jon Shure, deputy director of the State Fiscal Project at the Center on Budget and Policy Priorities. "Some political forces and commentators play off that fear and uncertainty to foster anger against those fortunate enough to still have economic security, saying, in effect, 'Look at these public sector workers leeching off your hard-earned dollars.'"

## Civil Servant Benefits Blamed for Broke States

Shure, along with several advocates of public workers, pointed out several reasons why they say the growing negative perception surrounding public sector wages and benefits is unfounded:

- Contrary to widely reported tales of outrageous pension abuse, the average annual pension collected by U.S.

public servants is around \$20,000, according to the CBPP and the American Federation of State, County and Municipal Employees (AFSCME).

- Only one-fourth of the money used to fund most civil service pension funds, including firefighters and police, comes from taxpayers; the rest come from employee contributions and investment returns.
- While state pension deficits are said to be in aggregate in excess of \$1 trillion, the figure becomes far less staggering when put in the context of when the benefits are slated, on average, to be paid out -- over three decades, said Steven Kreisberg, AFSCME's director of collective bargaining. "Taken over 30 years, it's 2 percent of state budgets," he said.

"Trust me, teachers are hardly retiring with golden parachutes and living out their years floating on yachts," said John Abraham, director of benefits for the American Federation of Teachers.

According to Abraham, the average public school teacher earns \$50,000 and retires on an annual pension of around \$29,000. Roughly two-thirds of that comes from teacher contributions and investment returns, with the rest coming from tax dollars, he estimated.

Meanwhile, some 25 percent of all public teachers aren't even eligible for Social Security because of opt-out provisions certain states agreed to in the 1980s.

"These pension funds are one of the best ways we can keep good teachers for a long period of time," Abraham said. "For taxpayers, it's a bargain."

In Milwaukee, where public school teachers earn, on average, around \$60,000, the states financial assistance bill passed Tuesday by Congress is being welcomed as a much needed lifeline, said Mike Langyel, president of the Milwaukee Teachers Education Association, the teachers' union.

Around 350 city teachers who were laid off earlier this year might be able to come back to work as a result of the bill, Langyel said.

## **Aid Could Restore Teaching Jobs**

Lately, it seems Milwaukee teachers have generated far more headlines for demanding that their health care plan cover the cost of Viagra than for anything ever accomplished in the classroom.

Drawing further scrutiny, the Milwaukee teachers union was singled out in a [Wall Street Journal](#) editorial Wednesday lambasting the education stimulus. The Journal said the teachers union caused the layoffs by being unwilling to adjust their rich benefits.

"In Milwaukee, for example, nearly all of the ... teacher layoffs ... could have been avoided if the unions had agreed to change health plans that cost \$23,000 per teacher per year" the Journal wrote. "They could have accepted a still-rich \$17,000 plan. The unions chose the layoffs betting (correctly) that the Democrats in Washington would come to their rescue."

Langyel strongly disputed the assertion that the union banked on a bailout or opted for layoffs while refusing a reasonable concession.

"That's a complete distortion," he said, adding that there was never actually any formal collective bargaining offer to switch health plans.

Langyel insisted that the school board deliberately floated in the local Milwaukee media a misleading notion that teachers were demanding more expensive health coverage when a cheaper option was available.

In reality, there are two plans offered, one of them indeed more expensive. Older, higher-earning Milwaukee teachers, which make up the bulk of the faculty, tend to choose a more-expensive plan, albeit one with a higher out-of-pocket deductible, while newer, younger, healthier and lower-earning teachers tend to select the less-expensive plan, which carries a lower out-of-pocket deductible.

So even if all teachers were shifted to the less expensive plan with the lower deductible, "it would quickly become more expensive on a per person basis, because the older teachers would require more coverage," Langyel said.

"Since when is decent health care for hard working teachers something to apologize for?" he asked. "I worked as a high school math teacher for more than 30 years. What happened to respect for teachers? This is very disappointing to be painted this way."

## **A School District Gets Creative**

At least one public school district appears determined to keep its fiscal house in order without any stimulus and without attracting taxpayer ire.

Faced with a budget gap of \$2.5 million earlier this year, the Portage Public School District in southwestern Michigan offered some 500 teachers the option of a voluntary early retirement, which 56 teachers accepted, while asking the remaining teachers to work one extra hour per day, covering more classes, said Tom Vance, a spokesman for the school district.

One year earlier, Portage teachers agreed to a 2 percent pay cut.

"We try not to rely on any miracles coming out of Washington," Vance said. "Things have been so tough here in Michigan for so long, we've learned to get by our own. We've learned to be creative."

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