

# Pittsburgh Federation of Teachers

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## Let Pennsylvania pension reforms work

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By Nina Esposito-Visgitis /

Gov. Tom Corbett has again taken aim at public education. This time his sights are on the retirement benefits of public school employees. In his Feb. 5 budget address, the governor alluded to major changes to the Pennsylvania School Employees' Retirement System, which covers teachers and other school employees. Gov. Corbett claims that the state's public pension systems are not sustainable. That simply is not true.

Appropriate action was taken only two years ago when bipartisan pension reform legislation, Act 120, became law. The governor's proposal to place new employees on a 401(k)-type plan would divide and weaken the pension system and over time would cost taxpayers more. Current employees might see their pensions cut in half.

The truth is that the governor wants to shed the state's pension responsibility to protect unnecessary tax breaks for corporations -- including those in the natural gas industry -- and continue the indefensible tax loophole where Pennsylvania's corporate income helps balance Delaware's state budget.

Taxpayers have not paid for the bulk of the teachers' or state employees' pension systems. Almost 90 percent of their value did not come directly from taxes. Well over 70 percent came from stock market investments. Another 15 percent was paid by employees through payroll deductions. During the past decade, the smallest contributor to the pension systems was the state -- which committed to supporting pension benefits when teachers, police officers and nurses were hired.

Pension underfunding was caused by the 2002 and 2008 market downturns and the state's baffling actuarial forecasts that released it from most of its pension obligations for a decade. The pension vacation is over for the state, and the governor wants teachers to pay for it with their retirement.

The system now is underfunded, but it is not in crisis. The market has recovered from the 2008 crash. In January, the Dow topped 14,000 for the first time since 2007. The pension systems will reach healthy levels through Act 120's long-term solutions, including its provision that allows employees to choose between significantly higher employee contributions or diminished benefits.

Instead of allowing these reforms to work, Mr. Corbett has set up the false choice between the retirement benefit of teachers and basic education funding for children. He has threatened the Legislature to comply with his pension proposal or he will reduce basic education funding.

The governor claims he has provided record support for public education. But there are fewer early childhood classrooms in Pittsburgh today than when Mr. Corbett took office. Tens of

millions of state dollars have been cut from Pittsburgh Public Schools. Teachers and paraprofessionals have been furloughed, schools have been closed and programs have been cut in the city and across the state.

Mr. Corbett's policies are a blueprint for the undermining of public school systems and the privatization of education. He favors charter and private schools. He supports lower standards for charter schools that inflate their record of success and institutionalize harmful, lower expectations for children.

Our public schools need to keep the good teachers they have and must attract talented candidates into the teaching profession. Act 120 requires sacrifice by school districts and teachers. But it is a long-term solution for state pensions that was agreed to and will place the Pennsylvania School Employees' Retirement System on the right course.

Gov. Corbett's pension reform proposals are not solutions. They are mechanisms to support his anti-public-school philosophy and to continue corporate tax breaks. Teachers and school districts have already bitten the bullet on pension reform. The Legislature must reject the governor's pension proposals and let Act 120 work.

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