



For more news please visit www.sunsentinel.com

Gov. Scott's pension cuts saved Broward millions, cost employees

By Brittany Wallman October 2, 2011 08:04 PM

Controversial cuts cost thousands of workers in South Florida state retirement benefits, but they saved local governments, and taxpayers, millions.

Led by Gov. Scott, the state Legislature took the knife to a retirement plan that until now had been held sacred, the Florida Retirement System, or FRS. The fallout rained across the state, to counties, school boards, sheriff's offices and cities whose employees or elected officials are in the same retirement plan, the FRS, and are now contributing 3 percent of their pay – money the local governments used to pay.

From Sunny Isles Beach to the Broward County School Board to the Palm Beach County Sheriff's Office, the savings were gargantuan – all of it money that the governor said Tuesday he didn't want them to be allowed to keep.

"We have a pension that's not funded," he said in a visit to the Sun Sentinel. " ... I would have put the money back into the pension plan and not given it to the counties."

Though none of the local officials bragged about the millions back in their bank accounts, Broward's school system saved \$67 million; Palm Beach's saved \$55 million. Broward County government got \$15 million they could spend elsewhere, because of the changes. Palm Beach sheriff, \$18.4 million.

The reductions were bittersweet. Employees, including many of the same people creating the budgets, paid for it in their paychecks. Starting in the summer, they had to contribute 3 percent to their retirement plans for the first time.

"It's rank and file. It's teachers, it's bus drivers, it's social workers, it's code enforcement," Broward Commissioner Ilene Lieberman said. "You name it, it's rank and file."

To those who've not had raises and aren't getting raises this year, she said, "this is like a 3 percent cut."

Broward County government gave a little of its millions back to employees, \$2.3 million, paying them for two days off at Labor Day that were supposed to be unpaid furloughs.

But strapped agencies like Palm Beach schools needed the \$55 million to balance the budget and avoid scrambling for cuts.

According to the state, in South Florida there are 127 cities, counties, sheriff's offices, property appraiser offices and other local government agencies with employees or elected officials in the FRS.

The pension reductions passed by the Legislature were smaller than Scott wanted. Even so, Gov. Scott's office said the savings at the local levels would be huge: \$819.4 million for school systems, and \$597.7 million for counties.

Adding in universities, colleges, the state and other agencies, the total savings was forecast at over \$2 billion.

Palm Beach County budget director John Wilson is skeptical that the reductions will last. He said even though the county's fire-rescue tab dropped \$12 million and the sheriff's office \$18.4 million, the expenses next year might go up based on new calculations for "high risk" workers.

"It didn't do anything for us long term," Wilson said.

The paycheck docking didn't win Gov. Scott a lot of friends in the classrooms here.

"A lot of government workers receive extremely low salaries, but there was that gold at the end of the rainbow, after about 30 years of service, that there would be that retirement," Broward Teachers Union President Pat Santeramo said.

"And here it's as if the state has reneged on it."

Teachers statewide are suing, arguing that a change to benefits like that would have to be negotiated at the bargaining table. Santeramo said the Broward teachers were hoping to get their retirement plans enhanced so they could leave after 20 years, like many police officers can. But now, the pendulum has swung the other way.

The governor's office in Tallahassee said any call from Gov. Scott for further cuts in public pensions would come out in December. He had pushed originally for higher employee contributions and elimination of the FRS pension for new employees.

Lieberman said some in the public "may see this as a good idea" because it reduces taxes. But, she said, it doesn't reduce them much.

"There's two different kinds of public," she said. "I'm sure our employees are not happy. They're public, too."

Sun Sentinel staff writers Andy Reid, Cara Fitzpatrick, Larry Barszewski and Marc Freeman contributed to this report.