

# EVERY AMERICAN DESERVES TO RETIRE WITH DIGNITY.

## My View: A Shortage of Teachers and Other Public Servants

By David Banner, *Deseret News*

On Feb. 11, 2016, the Deseret News published an article written by Dan Liljenquist regarding the shortage of public safety applicants and our local government agencies' inability to retain public safety officers. He noted that there are 200 unfilled police officer positions across the state due to a lack of qualified applicants. What he did not mention is that there is also a shortage of teachers and other public servants as well.

In regards to Utah public safety agencies' inability to attract and retain police officers, Mr. Liljenquist stated, "The biggest issue by far is that we don't pay our new officers nearly enough to attract them into a career in law enforcement." While this is true, it certainly does not tell the whole story. Mr. Liljenquist mentions the actions (that he spearheaded in the 2010 Legislature) that dramatically slashed pension benefits to all state employees. He represents that those action were designed to help public employees. It is safe to say that the wage increases that were supposed to come from these actions never materialized, and now new police, teachers and firefighters have drastically less attractive pension vehicles for retirement, as well as low pay. Pension cuts have never increased employee pay, as something else has always been seen as more important at the time.

In 2010, the state of Utah did not have "artificially depressed public employee wages" as Mr. Liljenquist claims. What state agencies did have at that time was a rise in the amount of money that state employers (cities, counties, police agencies, school districts, etc.) were going to have to contribute to the Utah Retirement System on behalf of their employees as a result of the market crash of 2008.

These short-sighted legislators were convinced that securities markets could and would continue to go down and the state of Utah would go bankrupt under the weight of public pensions. In response to this "Chicken Little" prophesy, the state Legislature dramatically reduced pension benefits for new public employees. The Legislature was informed by numerous sources of the negative consequences of this action, and today those foretold consequences are just starting to become reality. What we are seeing with an inability to hire and retain public safety officers is just the beginning.

Today, the Utah Retirement System is extremely healthy. As of the end of 2015, the URS was actuarially 86 percent funded. This means that if 86 percent of all the state employees retired tomorrow the URS would be able to pay their pensions with no additional input from taxpayers. Within the next 18 years the URS is anticipated to be 110 percent funded. It is true that contribution rates have gone up due to the stock market crash of 2008, but in recent years those contribution rates have leveled off. These contributions are a portion of the employees' compensation, not a taxpayer subsidy.

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Another aspect of public pensions that is never mentioned is that over 90 percent of the money paid out to pensioners stays in the state of Utah to grow Utah's economy. Last year the URS paid out over \$1.3 billion in benefits to pensioners. These pensioners bought cars, went to restaurants, used medical services, paid for their grandchildren's music lessons, etc. By doing these things, they created jobs and caused businesses within the state to expand, which created more jobs. By the time the economic multiplier of that \$1.3 billion has had its' full effect, it will be responsible for a \$2.75 billion positive impact on the state economy.

It will always be difficult to find people who want to work for substantially lower pay and a substantially lower pension benefit. This problem is going to get bigger because the new public employees who were hired after July 2011, who only have poor pension options, are using their public jobs to gain experience needed to get a better job in the private sector, or in another state, and then leave Utah public service. As they do, they are taking their experience and knowledge with them, and the people of Utah are seeing a decrease in the level of service capability from their police, firefighters, teachers and other public service providers.

As an aside, the city of Detroit (which went bankrupt and reneged on its public retirees pensions), has had such a hard time finding police and firefighters that the average 911 response time in 2013 was 42 minutes.

In order to keep this from happening in our state, and to ensure that the Utah public agencies can adequately hire public servants in the future, it is essential that we reverse the mistakes made by short-sighted lawmakers, restore our public employees retirement vehicles, and pay these service providers a living wage. Only then will we eliminate the problems like those that our public safety agencies are facing now.

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