

Testimony of Art Martynuska, President, Pennsylvania Professional Fire Fighters Association

Before Pennsylvania House Local Government and Urban Affairs Committees

October 1, 2015 – Municipal Pension Reform

Good morning. My name is Art Martynuska, and I am proud to serve as President of the Pennsylvania Professional Fire Fighters Association, which represents 10,000 active and retired professional fire fighters and emergency responders throughout the Commonwealth of Pennsylvania. I am equally proud to have served as a Firefighter in the City of Johnstown, from which I retired as an Assistant Fire Chief in 2010.

I would also like to thank the respective Committees for convening this hearing on the critically important matter of maintaining fair and reasonable retirement benefits for firefighters and other public safety workers in Pennsylvania.

At the outset of my remarks I would like to endorse the comments of FOP President Neri. I agree with President Neri that a statewide defined-benefit pension system such as that proposed in House Bill 32 makes perfect sense for police officers, given the very large number of local police pension plans. I also agree with President Neri that bills like House Bill 316 and Senate Bill 755 diminish the longstanding retirement safety net for public safety employees, and that they will harm the men and women who risk their lives every day to protect and serve our commonwealth. And while there are far fewer firefighter pension plans than police plans, given the mix of career and volunteer coverage across the Commonwealth, the harm done to firefighters and their families by those bills is no less severe that the harm inflicted upon police officers.

Because of this, and on behalf of over 10,000 Pennsylvania firefighters and paramedics and their families, the Pennsylvania Professional Fire Fighters Association, AFL-CIO, supports House Bill 32, which will create a modest, statewide defined-benefit pension system for local police officers.

The PPFPA also supports the concept of adjusting Act 205's pension distress system to help the small number of troubled pension plans return to fiscal stability. And while House Bill 974 represents a step in this direction, that bill essentially creates an "Act 47 for pensions," which stands to add millions in new added costs for municipalities already struggling to fund their pensions. We already know from experience that Act 47 doesn't work -we should not be attempting to create another one for pensions. We also note that PERC raised a number of troubling issues related to HB 974 in its Advisory Note. So while the PPFPA is open to improving Act 205 to help local pension plans, House Bill 974 does not appear to be the appropriate vehicle for that improvement.

I would also like to remind the Committee members that the PPFPA emphatically opposes House Bill 316 and Senate Bill 755, which will essentially eliminate retirement

security for firefighters throughout Pennsylvania. Whether in the form of a flat-out defined contribution savings plan like SB 755, or a savings plan in disguise like HB 316, these so-called "reform" bills simply slash pension benefits for municipal firefighters throughout the Commonwealth, replacing the longstanding guaranteed pension system with a "wait and hope" system that will provide much weaker and unpredictable benefit. Both pensions and healthcare are bedrock employment terms that have been protected by Act 111 for decades. But HB 316 and SB 755 thank firefighters who have risked their lives for decades to protect Pennsylvanians by giving them welfare-level checks and no healthcare on their way out the door.

Of course, under these Wall Street "reform" bills, firefighters might never actually retire. Both HB 316 and SB 755 will likely cause firefighters to work well beyond their physical capabilities because they cannot afford to retire, creating a workforce of older, sicker and weaker men and women charged performing the extraordinarily strenuous life-saving tasks associated with firefighting. It makes absolutely no sense. They do a terrible disservice to men and women who are among our most honorable public servants.

Perhaps even more offensive than the harms inflicted on firefighters and their families by these bills are the grave mischaracterizations made by the corporate interests behind HB 316 and SB 755. Simply put, **there is no municipal pension crisis in Pennsylvania**. Instead, the vast majority of Pennsylvania's municipal pension plans are in strong shape. Considered in the aggregate, Pennsylvania's municipal pension plans pass the longstanding 80%-funded health test endorsed by the U.S. Congress, the Government Finance Officers Association, bond-rating agencies and other experts. So when you look at facts, not rhetoric, you see a strong municipal pension system that has weathered the 2008 economic downturn and its aftermath very well. There is simply no need for the drastic cuts posed by these bills.

That is not to say that there is no room for improvement. Earlier this year, the Pennsylvania Auditor General proposed a series of common sense reforms that would significantly improve our municipal pension system. Those reforms, however, do not focus on cutting benefits. Instead, they focus primarily on improving management and eliminating abuses by local politicians, as well as identifying reasonable funding sources. Pennsylvania's firefighters look forward to exploring those **actual** reforms, and others, as part of the municipal pension task forces currently contemplated or operating by the Governor and the General Assembly. We believe that is a far more responsible approach to addressing the municipal pension issue than the biased, inaccurate and harmful attacks on firefighters represented by HB 316, SB 755 and similar bills.

Thank you for your continued support for Pennsylvania's heroes.