

# FOP dodges pension-ripper language in Philly sales tax bill

## A Capital Watch staff report

It started as a simple bill that would authorize the City of Philadelphia to raise its sales tax by 1 percent, and to make some modifications to the payment schedules on the city's pension fund.

Before it finally landed on Governor Ed Rendell's desk, House Bill 1828 (now Act 44 of 2009) had taken a surreal trip that could only be characterized as the Pennsylvania General Assembly's version of Mr. Toad's Wild Ride.

At the heart of the journey was Philadelphia Mayor Michael Nutter's impending budget disaster. Nutter lobbied relentlessly for the passage of the bill. But by the end of the process, it was his city's municipal labor unions that finally delivered the prize he had sought since last spring.

One of the city's collective bargaining units, The Philadelphia Fraternal Order of Police (FOP) Lodge 5, did what many thought was impossible. They changed the course and content of the bill in the face of the longest of odds, and helped to broker a deal between the Democrat-controlled House and the GOP-dominated Senate.

*Here is a look at what they faced on August 27:*

The bill had been radically altered in the state Senate to include language that would have eviscerated the FOP's right (along with the rights of unions across the state) to collectively bargain for pension benefits. For the first time ever, state law would cap pension benefits for current employees, as well as set new, lower caps for all future employees. The state Senate had touched the third rail of

labor politics. Big problem.

Then, the full Senate passed the bill by an overwhelming (38-9) margin. Bigger problem.

The House Democratic Leadership, led by powerful Appropriations Chairman and Philadelphia resident Dwight Evans, eagerly received the bill and fast-tracked it for passage. Massive problem.

Governor Ed Rendell asked that the bill be passed immediately with no amendments so that Philadelphia could be saved from fiscal ruin. Nutter agreed and began a full-scale assault on House members. Meltdown.

With the entire state Senate, the House Majority party, the governor and the mayor of the state's largest city standing squarely behind the bill, what were the chances that this train could be stopped? Slim and none, and slim was packing up his bags, ready to leave town.

The strategy employed by the Philly FOP and its allies over the next 21 days was truly something to behold. It consisted of finding allies, rallying them, changing the minds of those who had already voted in favor of the bill, educating those who intended to vote for it, and head-counting the opposition. It involved advocating for arcane parliamentary moves, and strenuously negotiating for a positive outcome. And more than anything, it involved speed.

The first step was to convince unions across Pennsylvania (Teamsters, SEIU, AFL-CIO, firefighters) that the senate version of HB 1828 was tragically flawed, an outright assault on collective bargaining. Within 3 days, a massive rally of fire-



fighters and police officers was scheduled for the Capitol Rotunda. And the speeding train began to slow down.

Next, they needed time to build a case that the bill needed to be amended in the House Rules Committee, something that in the new age of reform happens about once every blue moon. To do that, more allies were needed, as House Leaders immediately and publicly dismissed that plan and forged ahead by scheduling a House vote. The Philly FOP and its allies looked to the west, where Pittsburgh Mayor Luke Ravenstahl was staring down the barrel of a total state takeover of his city's pension fund thanks to the new HB 1828. Ravenstahl became an important partner in the new coalition. The train slowed even more.

Within days, the Ravenstahl Administration and almost every labor organization in the commonwealth was singing from the same hymnal. HB 1828 had to be amended. The train was now laboring up a long hill, running out of steam.

The new coalition of parties aggrieved by HB 1828 had turned the corner, but a deal still had to be brokered between House and Senate leaders. Time was not on anyone's side, as Nutter's final nightmare budget deadline was rapidly approaching. The train was now idling on the tracks.

Days of furious negotiating took place, with fits and starts and several moments when all looked lost. But on September 10, HB 1828 was amended in the Rules Committee with language that was acceptable to all parties. It passed the House on September 11, and the Senate concurred in House amendments on September 17. Rendell affixed his signature the very next day.

Twenty one days from cradle-to-grave is a blink of an eye on the legislative calendar. In a year of acrimony and partisan wrangling over a dreadfully overdue state budget, the Philadelphia FOP and its allies achieved a compromise that was nothing short of remarkable, and did it in a time frame that even today seems inconceivable.

As leaders at all levels of government wrangle with pension reforms in the months and years to come, they would do well to remember the journey of House Bill 1828, and how a motivated group with the right strategy stared down — and stopped — a speeding train. **CW**