

CWA NJ Public Worker News

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CWA Local Presidents

Kathy Forte, 1023
John Rose, 1031
Jim Marketti, 1032
Rae Roeder, 1033
Ruth Barrett*, 1034
Ken McNamara, 1037
Tom Palermo, 1039
Carolyn Wade+, 1040
Mitch Kirkuff, 1042
Charles Micele, 1045
Anabela Querido, 1071
Bennie Brantley, 1077
Mike Lepkowski, 1078
Leroy Baylor, 1079
Joan Tapia, 1080
David Weiner, 1081
Mabel Serrano, 1082
Kerry Hart, 1083
George Jackson, 1084
Richard Dann, 1085
Linda McCann, 1086
Barbara Johnson, 1087
Matt Guthorn, 1088
Ronda Wilson, 1089

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New Jersey Pension Funds Lose \$23 Billion - Retirement Security in the Tank as the Stock Market Sinks

In the 2007 State Worker Contract, CWA negotiated a representative on the State Investment Council, an annual report, and an annual Public Meeting. The first Annual Meeting took place on November 20, 2008. Jim Marketti, retired President of CWA Local 1032, was seated on the SIC as the representative for Public Employees. We learned that the Pension Plan has lost \$23 Billion in the past year, and over \$8 billion in the past month.

While it is true that the losses to the State's Pension Plan very closely track the percentage losses to the Stock Market, Orin Kramer, the Wall Street financier who heads the State Investment Council, bragged special expertise in making investments. CWA has been fighting with the SIC and the Division of Investments about its use of external managers and about making risky investments in hedge funds and other "alternative" investments. Apparently Mr. Kramer is no smarter than the rest of the Wall Street crowd. We would have been better off putting the pension money in a savings account or even in a mattress!

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Equally disturbing is the announcement by Governor Corzine that he will seek legislation to give Local Government's a "pension holiday" on half of the required pension contribution, so that they do not have to raise property taxes to pay for pension payments. The pension plan is now only 50% funded and it cannot afford to miss any future payments to the plan.

Our pension plan, and the retirement security of millions of people throughout the country, is endangered not because of natural and cyclical ups and downs in the Market. The economy is tanking because of the conscious actions of politicians who de-regulated banking and investments, the terrible trade policies that have destroyed our industrial base, the greedy actions of Wall Street speculators, and the decades of attacks on organized labor, collective bargaining and the middle class. Millions of Americans voted for CHANGE on November 4. That Change needs to include holding the Wall Street Robber Barons accountable, developing a bold economic stimulus plan that will get the economy moving, putting a moratorium on housing foreclosures, and guaranteeing the pension and health benefits of all working families.

A Contract is a Contract

A recent newspaper article quotes Governor Corzine as looking for State Worker unions to renegotiate their Contract Agreements by giving up July 2009 raises because of the poor state of the economy and State Budget. We are admonished to "sacrifice."

We negotiated the State Worker Contract fairly and responsibly and agreed to significant cost-sharing for healthcare and agreed to contribute another ½% toward the pension plan. In addition, we have sacrificed throughout the public sector, where hiring and promotional freezes have led to speed up, out of title work, and enormous stress, at a time when our services are needed more than ever.

Moreover, our question to the Governor is, why are you proposing hundreds of millions of tax breaks to corporations as part of your New Jersey economic stimulus proposal? The budget is in trouble and you're cutting taxes on business? That's sounds like a Bush solution – not the change that we need.

Boards of Social Services Overwhelmed by Need

On November 19, the Food Research and Action Center issued a report which said that even though New Jersey has one of the lowest poverty rates in the Nation, 8.8%, 1 in 11 New Jersey residents go hungry each day. In addition, New Jersey has one of the lowest participation rates for free school breakfast and the food stamp program.

On the same day the Food Research report came out, it was reported that 30 homes a day are being foreclosed upon in Ocean County and in October, over 8,400 homes went into foreclosure statewide.

Our Boards of Social Services are feeling the effects of the bad economy. Workers report being overwhelmed by increased demand for food stamps and services. This increased demand is coupled with hiring freezes and now the threat of layoffs. If these conditions worsen, our members will not be able to provide assistance to the families with the greatest needs.

The Union Plan to Change the Country

We took the first step on November 4, 2008, when we elected Barack Obama. But President-Elect Obama needs our help to bring real change to America and New Jersey. It is not an exaggeration to say that the economy is in a deepening recession. If governmental actions to get it stimulated do not work very quickly, we will see many more homes foreclosed upon, more businesses going under, and a great increase in job loss. We cannot just sit by and wait for the politicians and the Wall Street crowd to find an answer. We know the answer – at least part of it.

1. We need a massive public works program to put people to work rebuilding our schools, bridges, parks and infrastructure. Cutting wages and laying off workers makes things worse – not better! We are going to fight for every public sector job and we will fight to protect the Contracts that we negotiated in good faith. They are legal and binding agreements.
2. We need green energy and green cars. That means that the Government needs to underwrite the auto industry and not let it go under – but it also means that the Big Three Auto company management cannot continue to design inefficient automobiles and make hundreds of millions of dollars and zip around in corporate jets while the workforce is decimated.
3. The banks don't get to take billions of dollars in public funds and then still foreclose on families and take their homes. We want a moratorium on foreclosures.
4. We need healthcare for all. A huge amount of the public budget is going toward paying the cost of uninsured families. Our tax dollars are going to subsidize Walmart and other profitable employers who do not pay for healthcare. Universal healthcare would reduce public costs in the long run.
5. Unions created the Middle Class in America. The Wagner Act passed during the Great Depression and it gave workers the right to organize Unions. Millions of workers organized in just a few years, driving up wages, stimulating the economy, and helping to drive out the Depression. But in the last two decades, labor law has deteriorated to the point that workers can no longer freely join unions without being fired or intimidated. The Employee Free Choice Act will allow workers to organize again.

What is to Be Done in New Jersey?

CWA is holding meetings of all of our Local Presidents so that all of the Locals are on the same page and so that we move forward together. We are going to fight every layoff and try to coordinate our mobilization activities so that we maximize our power.

Our goal is that if there are layoffs or a fight in a county or a municipality, all of our members in that county or municipality will mobilize to help – even if they don't work for the county or municipality. And if there is a fight at the State level, we will all come together to fight together.

We Need Your Help!

You can help. The Local Presidents will be keeping their Local Leadership and shop stewards informed as to our program. Please follow the lead of your steward. Go to Local and worksite meetings and stay informed. Come to all union activities and make sure that your Local has your up-to-date address, home and cell telephone number and your home email.

Want to keep up with the CWA News? The CWA New Jersey website, www.cwanj.org will be brought up to date by December 1 (we're in reconstruction mode now) and will have regular updates thereafter.

HR:db

OPEIU Local 153, afl-cio

