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EDITORIALS

Retirement politicking

Perhaps no one should be surprised by the ubiquity of politics in everyday Frankfort life but the recent surge of interest in state employee seats on the Kentucky Retirement Systems board of trustees did catch our attention. Six candidates are competing for two available positions. Some have taken out ads in *The State Journal* to promote their candidacy, one wrote a letter to the editor touting his qualifications and some big names in local politics have endorsed candidates. Ballots are to be returned by March 1.

Why the sudden to-do in a traditionally low-key election open only to active and retired state workers and not even regarded as a regulated political race by the Kentucky Registry of Election Finance? Look no farther than the Kentucky legislature, which grappled with reforming the retirement systems two years ago and faces additional issues in the current session. These are times of anxiety about retirement benefits for both public and private workers. State employees and retirees unsettled over the mounting changes find it more critical than ever to have their interests represented on the board of trustees.

State Sen. Julian Carroll, who endorsed Bobby Henson's run for a fourth term on the board and also supports Billy Hunt of Louisville, said it's important to elect pension system participants who'll stand up for retirees. County Judge-Executive Ted Collins expressed similar sentiments. Charles Wells of Georgetown, a special assistant in the Kentucky Personnel Cabinet, wrote a letter to the editor promoting his own campaign for a KRS seat. "I will continue to be an activist for those who depend on the retirement system and will fight to ensure its future solvency," he pledged. Following up with a newspaper ad, he promised state workers and retirees he'll also keep the heat on Wall Street pension fund managers to maximize the return on investments of Kentucky retirement funds.

Solvency of the retirement system is a big issue indeed. Its current \$16 billion unfunded liability far exceeds the \$1.5 billion shortfall looming over the state's general fund. Two years ago, the legislature mapped out a long-range plan to increase contributions to the pension system, aiming to achieve full funding by 2025. Gov. Steve Beshear's budget calls for starting with a \$92 million contribution over the next biennium but that commitment, like much of the governor's spending plan, hinges on the improbable approval of expanded gambling to raise the necessary revenue. It's up in the air, to say the least.

Already, state workers have seen their benefits curtailed by reforms enacted in a 2008 special session. Those hired since then must work 30 years, rather than 27, to qualify for full pensions, and their annual cost-of-living adjustments during retirement are limited to 1.5 percent. But some, especially in the Republican Senate, want additional changes. The trend in the business world is away from traditional pensions toward individual retirement savings plans for employees — a movement Kentucky's public sector has thus far resisted.

Despite the reforms enacted in 2008, the sustainability of public employees' enviable benefits remains an open question in a much broader political context than the KRS election. Finding the right answer won't be easy, even with aggressive representation on the retirement board.

A legacy at risk

Jan. 20
Khaleej Times, Dubai, United Arab Emirates, on how the Mideast will define Obama's legacy:

Barack Obama has complete his first year in the White House, and it's hard to resist the temptation of rushing in with the verdict on his performance. However, given the extraordinary challenges this U.S. president has faced even before he walked into the White House, it is more complicated than summing it up as success or failure.

One year is perhaps too short a period to judge a president who has inherited a mind-boggling mess at home and abroad. But judged Obama will be, especially in the Middle East where his unusual background and his powerful message of change have kindled unprecedented hopes and expectations. ...

The U.S. ally and biggest recipient of U.S. aid has been openly defying and mocking Obama by expanding Jewish settlements on what little remains of the Palestinian land. Even that charade of "peace talks" is over. And Obama's envoy, George Mitchell, seems to have given up after numerous futile trips to the region. This must change if Obama wants to be remembered as a successful leader.



ROBYN BLUMNER

GOP has its blocker

But will Sen. Brown be good for the public interest?

No matter what the voters of Massachusetts were or weren't saying by electing Republican Scott Brown to the Senate seat of the late liberal lion Edward Kennedy, the Democrats have reason to feel like a Mack truck ran over their last "Yes We Can" sign.

That this could happen a year after President Barack Obama took office with such hopes and popularity indicates that voters have memories about as long as a tweet.

The pro-waterboarding, tea party-friendly Brown, a veritable unknown state senator, blew into high federal office in the bluest of blue states by harping on the deficit and promising to defeat health care reform. But the undercurrent of Brown's campaign was the dire economy.

Brown claimed in a piece in the *Boston Globe* earlier this month that he was running because "more of our people are unemployed today than ever before."

How about remembering a few things about the mess we are in? The economic meltdown happened under President George W. Bush as a direct consequence of the hands-off, free-market, deregulation philosophy touted by Republicans like Brown. Cleaning up the destruction is going to take government investment in the economy. But the \$787 billion stimulus package that is currently being spent to build roads and retain teachers throughout the nation passed Congress without a single Republican vote in the House.

The Council of Economic Advisors estimates that, with a third of the stimulus money out the door, between 1.7 million and 2 million jobs have been created or saved. Even if these

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numbers are not precise, the upshot is that without the stimulus, the suffering would be greatly magnified.

More is needed, but that will take more spending, which is precisely what Brown and his party oppose. In Brown's words, there should not be another stimulus because the current one has "failed to create one new job," a statement so demonstrably false that it raises questions about the wits of its author.

Brown also complains about the public debt. Once again he should be pointing his finger at the elephant in the room. Bush added nearly \$5 trillion to the national debt during his two terms after having inherited a healthy 10-year projected budget surplus of \$5.6 trillion. He did it through reckless tax cuts and the prosecution of two wars, one a war of adventurism. Remember that two weeks before Obama was sworn into office, the Congressional Budget Office projected the annual deficit to be \$1.2 trillion.

Obama was left Bush's wars, debts and a near-collapsed economy. In the past year, he's methodically tried to tackle this pile of trouble, and beyond

cooperation in increasing troop levels in Afghanistan, which Republicans pushed, Obama has come up against a solid wall of Republican resistance. Now, with Brown's election, Republicans in the Senate have what they need to keep Obama from advancing on jobs, economic fairness, strong regulation of the financial sector and climate change. Even health care reform is in jeopardy.

Brown, the 41st Senate Republican, makes his party cloture-proof, allowing him to block any future vote on a combined House-Senate health reform bill. Brown's incoherence on this is stunning. The Senate-passed plan is similar to the universal health care model in Massachusetts — a state program of mandated health insurance coverage that Brown supported. But Brown campaigned against extending that beneficial structure to the rest of America, scaring voters over new taxes and Medicare cuts.

How exactly would Brown get us to universal coverage without cost controls and new revenues? Magic wand?

The challenges facing our nation are so great that it would be a Herculean endeavor if responsible people of goodwill came together to solve them. With the election of Brown, we have added an obstructionist senator who holds positions based on politics, not the public interest, and who fails to see that his own party's disregard for average people is what got us in our current fix. Brown will use his power to bar Obama's good-government initiatives, our problems will fester, and the Democrats will once again be blamed.

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Obama must be stronger

Jan. 19
The Jerusalem Post, on Obama's second year in office:

A year ago, Israelis watched U.S. President Barack Obama deliver his inaugural address on the West Front of the U.S. Capitol Building in Washington, D.C., as Operation Cast Lead in the Gaza Strip was — not coincidentally — concluding.

Regardless of their political views, they looked to the new leader of the free world with a healthy mix of dread and hope, knowing that some of what he would say and do could have as much impact on Israel and other Middle Eastern nations as on America.

Obama did not mention Israel in his address, but he did devote a good portion of the speech to matters that concern us. Notably, he offered an outstretched hand to the Muslim world, accompanied by a warning.

The stick was delivered eloquently: "For those who seek to advance their aims by inducing terror and slaughtering innocents, we say to you now that, 'Our spirit is stronger and cannot be broken. You cannot outlast us, and we will defeat you.'"

He promised that "With old friends and former foes, we'll work tirelessly to lessen the nuclear threat." ...

Under the headline "Time to get tough," *The Economist's* current cover portrays Obama sitting at his desk

with the Nobel Peace Prize on the wall as boxing gloves are handed to him through the window. The magazine expresses hope that, after his goodwill tour of the world produced nothing but "a series of slaps in the face," the president would now be able to apply the stick to Iran, rather than persist with the carrot.

This is our hope as well: A strong Israel requires a strong America that is respected by the world.

That was prominent among the expectations Americans and Israelis harbored on that wintry day in Washington a year ago. And that is what they need still more urgently in President Obama's second year.