

SPECIAL
POINTS OF
INTEREST:

- Legislators meet with members
- State of the State
- Two pension bills introduced
- Project Pride

INSIDE
THIS ISSUE:

- Rally for Wisconsin 2
- Project Pride 2
- Get out the vote 2
- Pension Bills 3
- Help Wisconsin 4
- Election Time 4
- Disclaimer from NJEA 4

Essex Exchange

ESSEX EXCHANGE

MARCH 2011

Legislative Reception

On January 6, 2011, the ECEA hosted its annual legislative cocktail reception at the Atrium County Club in West Orange. ECEA President Tony Salese introduced the legislators as each entered the reception. Senator Ron Rice, Assemblywoman Cleopatra Tucker, Assembly Speaker Sheila Oliver, Assemblyman



Assemblyman Al Coutinho, ECEA President Tony Salese, and Senator Ron Rice

Tom Giblin, Assemblyman John McKeon, Assemblyman Al Coutinho and Assemblywoman Mila Jasey attended

the reception. In addition, NJEA President Barbara Keshishian and Passaic County Education Associa-



President Tony Salese, Speaker of the House Sheila Oliver, NJEA President Barbara Keshishian, Passaic County Education President Joe Cheff

tion President Joe Cheff attended the reception where both spoke to the membership.

The ECEA reception

is unique in that the legislators mingle with the membership and speak to our members one on one

or in small group settings. Both the legislators and membership enjoy this format as it provides

members with the opportunity to talk about issues

particular to their communities and the county in general.



Assemblyman John McKeon and President Tony Salese



Assemblywoman Mila Jasey speaks to members

Outrage in Wisconsin

Late Wednesday night, [March 9, 2011] Wisconsin Gov. Scott Walker and 18 Republican senators used underhanded and possibly illegal tactics to force through an anti-collective bargaining bill despite overwhelming public opinion against the move. The move raises the stakes in a long-running showdown over the right of public employees in Wisconsin to have a place at the bar-

gaining table and a say in their own professional future.

NJEA joins millions of public employees and others across the nation in decrying the anti-democratic tactics used to take away a half-century of collective bargaining rights from Wisconsin's public employees. The leadership of NJEA, on behalf of all NJEA members who are outraged by

these events, sent this letter of support to the President and Executive Director of the Wisconsin Education Association Council (WEAC), vowing support as the fight for collective bargaining in Wisconsin moves into its next stage.

Taken from njea.org. For more information visit njea.org

Rally for Wisconsin



NJEA President Barbara Keshishian addresses the rally.

Rain and gusting winds could not deter more than 4,000 union members and labor supporters from descending on the Statehouse in Trenton today for a demonstration in support of worker's rights across Wisconsin, New Jersey, and America.

The crowd, which exceeded the expectations of event organizers, began arriving more than an hour before the noon

event. Chants and songs filled the air as demonstrators filled the open area in front of the Capitol building, then the park across the street, and finally the streets and sidewalks in front of the Statehouse and far beyond in either direction.

More than a dozen labor leaders, members and union sup-

porters spoke about the importance of preserving middle-class rights and benefits not just because they are workers' rights but because they are human rights and civil rights.



Taken from njea.org

Project Pride

"ECEA Vice President Priscilla Burke, once again, did an outstanding job in coordinating and organizing the mall project."

During the week of March 4 through 11, 2011, the Livingston Mall hosted the Essex County Education Association's annual Project Pride. Due to mall restrictions, the exhibit was limited to the second floor of the mall. However, as always the mall exhibit was a great success.

Many of the districts in Essex County participated in the mall project.

ECEA Vice President Priscilla Burke, once again, did an outstanding job in coordinating and organizing the mall project.



The mall exhibit is only one component of Project Pride. An essay contest open to all county students is underway and winners will be announced and honored in May. The ECEA Pride essay awards ceremony will be held on May 19, 2011 at 6:30 PM at Livingston Mall.

Additionally, the ECEA hosts a Pride in Education reception dinner for district Pride coordinators, district superintendents, and district BOE members. The reception will be held on March 31, 2011 at the Wilshire Grand Caterers in West Orange, NJ.



Get Out The Vote

The ECEA reminds and urges all members to vote in their community elections. It is imperative that Essex County districts pass their school budgets.

If any member is interested in participating in phone banking for Get Out The Vote, please contact Sandy Linton at the ECEA office. You may contact Sandy by phone 973-736-5650

or email her at ece@comcast.net.



A Tale of Two Bills

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Please see disclaimer from NJEA—reprinted on page 4.*

The bill makes several changes to benefits levels **for members with fewer than 25 years of service and who have not reached normal retirement age on the effective date of the bill:**

- Normal retirement age is changed to 65, up from the current 60 (for most members) or 62 (for members enrolled in the pension system since November 2, 2008).
- Requires 30 years of service before retirement eligibility, unless an employee has reached the normal retirement age of 65.
- Changes the “early” retirement age to 65, the same as the normal retirement age. Members who choose to retire with 30 or more years of service will pay a penalty of 0.25% per month (3% per year) for each month under age 65.
- Final average salary will be calculated on the 5 highest years of salary, rather than the current 3 years.

In addition to those changes, the bill makes the following changes for all employees:

- All future service accruals calculated at n/65, rather than the current n/55.
- All employees pay an additional 3% of salary as a pension contribution, in addition to the current 5.5%.
- There will be no cost of living adjustment (COLA) going forward.
- Current retirees will stay at their current COLA level, with no future increases.
- Future retirees will have no COLA in retirement.

Disability Retirement

- Eliminates accidental disability retirements (currently 72.7% of the member’s salary at time of accident) and replaces it with a “work related” disability retirement of 40% of final average salary (FAS).
- Reduces ordinary disability retirement from 43.6% of FAS to 40% of FAS
- Repeals disability insurance for members enrolled in the pension system after May 22, 2010 and replaces it with ordinary and “work related” disability retirements, as defined above.

On the positive side, the bill would require the state to make larger annual payments toward the unfunded accrued liability each year. However, the bill has no mechanism to enforce any pension payment, which the state has repeatedly failed to make despite laws requiring it to do so.

A-3796 (O’Scanlon)

This bill makes fewer changes to benefit levels than the O’Scanlon bill. It would:

- Calculate all future service at n/60, instead of the current n/55. However, members with 5 or more years of service as of the effective date would have the option to keep the n/55 formula by paying an additional contribution, to be determined by each system’s board of trustees based on advice from their actuarial advisors.
- Eliminate COLA going forward for current and future employees, but not current retirees.
- Current retirees would continue to receive COLA on the current schedule.
- New employees and those with fewer than five years in the system would not be eligible for any COLA.
- Current employees with five or more years would have the option to keep their COLA by paying an additional contribution, to be determined by each system’s board of trustees based on advice from their actuarial advisors.

This bill’s much more significant changes are in the structure and governance of the plans and in future benefit levels and contribution rates.

- Each pension system, including PERS and TPAF, would have an appointed Board of Trustees, made up of equal numbers of labor and management appointees. (In the private sector, this is known as the Taft-Hartley model.) Those boards would:
 - Have the authority to set benefit levels for the plan.
 - Set contribution levels annually, based on actuarial determinations, sufficient to pay the employees’ share (50%) of the normal cost for the chosen benefits.
 - Boards could be forced to make significant cuts to benefit levels (such as those proposed in the Republican plan) in order to prevent large spikes in required contributions.

In addition to contributing an amount of salary to the funds sufficient to cover 50% of the normal cost of the pension, employees would also be required to pay a portion of the plan’s existing unfunded accrued liability as well as a portion of any additional future liability.

- This would make employees liable for both past and future underfunding due to market losses.
- This would leave employees with a potentially large and unlimited required annual contribution.
- While it is not possible to calculate at this time what that contribution would be, it is clear that it would be significantly higher than the current contribution and could even be significantly higher than the additional 3% required in the Republican proposal.

The boards would also have the option to remove their funds from state management and make their own investment choices.

On the positive side, the bill attempts to create stronger language requiring regular state funding of the pension systems. However, it is not clear whether that language is sufficient to compel state funding and it could require litigation to make that determination.

S-2696 (Sweeney)

NJEA Disclaimer to Members

The following note reprinted below is a disclaimer from the NJEA concerning the pension reform bills introduced by Senate President Stephen Sweeney (D—Gloucester) and Assemblyman Declan O'Scanlon (R—Monmouth)

Please note: these [*Bills A-3796 and S-2696*] are extremely complex pieces of legislation. There are additional elements, not covered below, that may affect some members of the pension systems and that will be covered in future, more detailed analyses. Any changes to the bills as they move through the legislative process could result in dramatically different outcomes for members. No one should make decisions about retirement based on the information presented, because no legislation has been passed and it is not clear which of these bills will move forward and what changes will be made before passage.

Taken from njea.org. For more information visit njea.org.



Election Time!!

—Alternate.

NJEA elections will be held April 20 through May 5, 2011. ECEA members are running for Delegate Assembly and Delegate Assem-

For information on the candidates, please visit eceaonline.org. Click on the newsletter page for our Election Edition newsletter.



Want to help Wisconsin? Here's how.

Here are a number of things you can do **IMMEDIATELY** to help:

Wear red on Tuesdays to show your support for public education and the rights of public school employees (This effort is part of NEA's "Wear Red for Public Ed" campaign, which encourages members to wear red every Tuesday for the rest of the school year.)

Sign a national petition supporting the rights of educators and other public employees on the Education Votes website:
www.educationvotes.nea.org/nationalpetition.

Use your Facebook and Twitter accounts to show support for public education and workers. Share mes-

sages of support on your own pages or



add comments on NJEA's page or the pages of state affiliates in Wisconsin, Indiana and Ohio.

You can provide financial support, send food and water directly to the protestors, convey your opposition immediately to the legislators and governor, keep the resistance alive, widespread, and highly visible, and support the "Wisconsin 14."

Wisconsin's fight is OUR fight.

NJEA members are urged to stand up for public education and public school employees – here in New Jersey and across the country.

Taken from njea.org. For more information visit njea.org.

