

## **BROKEN PROMISES: FAILED PENSION SYSTEM REFORM**

**Walker has claimed in TV ads that he cleaned up Milwaukee County's pension scandals from 2002, but that's hardly been the case.**

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### **2004 March 20 – Walker gets caught taking higher pension benefit for himself**

After getting caught by his opponent, David Riemer, in the 2004 county executive campaign, Walker sends a letter to the Milwaukee County pension board asking that his pension benefit be calculated minus the amount of salary he returns to the county each year. [*Milwaukee Journal Sentinel (Wisconsin) March 25, 2004*]

### **2004 July 08 – Walker gets caught breaking campaign promise to require staff to waive lucrative pension benefits**

Walker didn't ask his staff to waive their rights to a lucrative pension benefit until after the 2004 re-election campaign, after he promised to do so immediately after getting elected in 2002. He tried to hide the fact by failing to provide the records when requested to do so by his 2004 county executive opponent, David Riemer. [[Milwaukee Journal Sentinel](#)]

### **2005 February 21 – Lawyer involved in pension scandal, a big Walker donor, likely to get off the hook for role in pension sweeteners deal**

Lawyer involved in pension scandal, a big Walker donor, likely to get off the hook for role in pension sweeteners deal. [[Milwaukee Journal Sentinel](#)]

### **2005 April 05 – Voters reject a risky borrowing scheme proposed by Walker to address the growing pension system debt**

### **2006 – Walker funds just 53% of county pension obligation, adding to the growing pension debt**

...To address this deficiency, the county's Annual Required Contribution jumped from less than \$1 million in 2000 to \$25.2 million in 2003, \$52.4 million in 2007, and to a budgeted \$68 million in 2010. In most years, the county appropriated the requisite funds required to meet the ARC [Annual Required Contribution]. However, in a few years, actual county funding was lower than this amount. In 2006, for example, the county provided only 53% of the \$52.5 million required contribution. According to county ordinances, any underpayment that occurs in a given year is repaid over the next five years. [Public Policy Forum, "[Should it Stay or Should it Go](#)", January 2010]

**2007 August 01 – Walker acknowledges failure to fix pension problem; another land mine turns up under his watch as 350 workers stand to gain \$50 million in extra pension benefits from “summer credit”**

IRS rules and a county ordinance were violated in granting buybacks for service. “Walker said Tuesday he “probably should have looked further” into pension buybacks in 2003 when he learned that his fired parks director, Susan Baldwin, had benefited handsomely from the now-disputed benefit.” [[Milwaukee Journal Sentinel](#)]

**2009 March 27 – Walker borrows \$400 million in Pension Obligation Bonds to pay pension debt, pushing pension burden onto future generations**

Milwaukee County issued \$400 million in pension obligations bonds, with a blended rate of 6.19%, said a spokeswoman for the capital finance department. The county issued \$265 million in 20-year bonds at a rate of 6.36% and \$135 million in five-year bonds at a rate of 5.52%. [[Pensions & Investments](#), 03/27/2009]

**2010 January – The Public Policy Forum notes a lack of long-term planning to deal with the structural deficit caused by the still un-dealt with pension debt issue**

Excerpts from the [January report](#):

During the past decade, the county experienced a significant deterioration in the condition of its pension fund, which contributed to a precipitous increase in unfunded liabilities. As shown in **Table 3**, assets exceeded liabilities by \$171 million in 2000. However, by 2005, the tables had turned and liabilities exceeded assets by \$455 million, a net decline in fund balance of \$626 million in just five years. [Public Policy Forum, [“Should it Stay or Should it Go”](#), January 2010]