

NO MORE SOFT LANDINGS: TAKING AWAY THE STATE'S "GOLDEN PARACHUTE" PENSION LOOPHOLE

We've all heard of lucrative pensions being doled out to corporate CEOs or other highly paid business leaders as they retire from the company. While these benefits sometimes seem disproportionate to the services rendered, private businesses are free to spend their profits in whatever way they deem best, including giving out "golden parachutes" to retiring employees. However, the State of Missouri does not have this same flexibility, or it least it shouldn't. Unfortunately, the laws of Missouri do contain a special loophole that allows a governor to confer on political allies a very generous retirement package for a very minimal amount of service to the State as was demonstrated twice during the month of August.

Here's the problem. Current law allows certain officials, called administrative law judges (ALJs) who review appeals of decisions of state agencies, to become eligible for special retirement benefits the day that they take the job if they have previous state service. A good example of how this system can be abused came last month when Governor Holden appointed a person who served a mere two weeks on the Labor Commission as an ALJ and will collect a lifetime pension benefit totaling more than \$26,000 per year once he retires. Later in the month, the governor appointed another political friend to fill this same spot, this time a legislator whose retirement benefits were automatically increased by around \$19,000 per year regardless of whether he serves one day or one decade.

In response to these appointments, I have announced that I will file legislation to close this loophole in state law during the next session of the Missouri General Assembly. The legislation will require appointees to ALJ positions to accrue retirement benefits gradually based on their years of service, similar to other state employees, instead of immediately becoming eligible the day they accept the job.

The current system is also offensive for another reason, it circumvents the ability of the Missouri Senate to do its job and approve the governor's nominees to places of special responsibility in state government. Under the Missouri Constitution appointees to certain ALJ positions made while the legislature is not in session must be confirmed by the State Senate within 30 days after it reconvenes in January. However, the loophole allows an appointee to keep this lucrative pension even if he is not ultimately confirmed by the Missouri Senate or resigns before the Senate can act. The Missouri Senate has a constitutional duty to make sure that qualified individuals serve as administrative law judges in our state. Allowing appointees to serve a few weeks or a few months and then take their pension and run without ever coming under Senate scrutiny undercuts this important constitutional safeguard. My bill requires that these appointees be confirmed by the Senate before they see any pension benefit.

This special retirement benefit given to a privileged few is simply not good government. It is no wonder that the public is cynical of what goes on in Jefferson City.

Giving out 'golden parachutes' to people who are appointed to serve the public is the kind of thing that gives Missouri government a black eye and it is time to fix it.

If you have comments or questions about this week's column or any other matter involving state government, please do not hesitate to contact me. You can reach my office by e-mail at matt_bartle@senate.state.mo.us. Thank you again for making it possible for me to serve in the Missouri Senate.