Democrats and Republicans target state employees

Patrick Martin 24 February 2011

While the ongoing confrontation in Wisconsin has attracted the greatest attention, Democratic and Republican governors throughout the country are targeting state employees for cuts in wages, jobs, benefits and bargaining rights. In many states the cuts are even more severe than in Wisconsin.

The driving force behind the cuts is the mushrooming fiscal crisis of the states, which face a combined deficit this year estimated at \$175 billion. This sum is minor compared to the vast sums provided in the Wall Street bailout—one firm, AIG, received that much in Treasury funds alone. But in state after state, the cost of the deficit is being imposed on the working class in the form of cuts in services and in the jobs and living standards of state employees.

The newly elected governor of Connecticut, Democrat Daniel Malloy, is demanding by far the biggest cuts, proportionally, of any state. In his budget message issued February 15, he called for \$1 billion in savings from state employees for each of the next two years. By comparison, in Wisconsin, a somewhat larger state, Republican Governor Scott Walker is demanding \$300 million in savings from state workers.

Malloy's demands average out to \$20,000 this year from each of Connecticut's 50,000 state workers, and an equal sum in 2012. The concessions would represent 20 percent of the state's total labor costs each year, but Malloy has not yet broken down his demands into wage cuts, health benefit copays and decreased pension contributions.

In New Hampshire, Democratic Governor John Lynch has submitted a budget that would cut the number of state workers by 10 percent over the next two years, eliminating more than 1,100 jobs, delaying retirement and ending a program under which the state shared in the payment of retirement costs for local government workers—a savings of \$87 million from this cut alone.

In Colorado, Democratic Governor John Hickenlooper, also newly elected, would make the biggest cut in spending on K-12 education in state history, as well as cutting state employees' take-home pay by raising the amount withheld to fund their pensions from 2.5 percent of payroll to 4.5 percent. State workers would have their overall pay frozen for the third year in a row.

In California and New York, the two largest states under

Democratic control, newly installed governors have not completed their budgets but are already demanding cuts from state workers. Jerry Brown in California imposed a hiring freeze February 15 while negotiations continue with the state legislature on terms of a budget referendum to be placed on the ballot this summer.

Andrew Cuomo in New York announced a one-year salary freeze for state workers as part of an emergency financial plan, a stopgap measure pending negotiations on contracts with 190,000 workers that expire March 31, in which Cuomo said he would seek \$450 million in concessions.

Republican governors have generally been equally aggressive in targeting state workers for cost-cutting, and in some cases have imitated Scott Walker in Wisconsin by introducing legislation to sharply restrict or terminate the rights of state employees to collective bargaining or to strike.

Florida Governor Rick Scott, a billionaire healthcare boss who spent \$73 million to elect himself last year, proposed Tuesday that state workers and public school teachers pay 5 percent of their own salaries towards pensions and have their health insurance benefits capped. His budget, introduced February 8, would cut 8,700 state jobs. A Republican state senator has introduced legislation to end the dues check off for the state employee unions, as well as requiring workers to sign up annually for union membership.

In Tennessee, the Republican-controlled state legislature is pushing a bill to repeal the 1978 state law that requires collective bargaining in local school districts where the Tennessee Education Association has the support of a majority of teachers.

Nevada Governor Brian Sandoval has proposed 5 percent across-the-board wage cuts on state employees. In Maine, Republican Governor Paul LePage has proposed that state employees and school teachers be docked an additional 2 percent of their salaries to cover a pension shortfall. He also called for a three-year freeze on pension cost-of-living increases and an increase in the retirement age for new state employees from 62 to 65. He would also force state employees to work longer to qualify for retiree health benefits.

In Idaho, hundreds of teachers staged rallies in Boise and ten other towns February 21 to protest plans by Superintendent of Public Instruction Tom Luna to cut 750 teaching positions and remove from collective bargaining issues like class size, workload and promotions. A package of three bills, now moving through the state legislature with the support of Republican Governor C. L. Otter, would phase out tenure and end the use of seniority as a factor in layoffs. The Idaho Education Association would be required to demonstrate membership of at least 50 percent of teachers in a district in order to qualify for collective bargaining over wages and benefits.

In New Jersey, Republican Governor Chris Christie appeared before a joint session of the state legislature Tuesday to present his budget. Hailing his fellow Republican governors in the Midwest, he said, "In Wisconsin and Ohio, they have decided there can no longer be two classes of citizens: one that receives the rich health and pension benefits and the rest who are left to pay for them."

Such vicious demagogy is aimed at splitting the working class by pitting private sector against public sector workers. It deliberately covers up the real class division in society, between the working class, the vast majority of the population, and the financial aristocracy—the millionaires and billionaires whom both the Democrats and Republicans serve.

Christie has the support of the state's leading Democrat, state Senate President Stephen Sweeney, a former construction union bureaucrat who has issued his own plan for attacking the health care and pension benefits of state workers. "My plan is real simple: public employees will pay more," Sweeney said in announcing his proposal.

Both Sweeney and Christie would increase the employee contribution for health care from 8 percent of premiums to 30 percent, although Sweeney would limit this to the highest-paid employees and phase it in more gradually. Christie is also threatening to withhold the state's contribution to the employee pension fund for the second year in a row unless pension benefits are sharply reduced by increasing the retirement age and ending cost-of-living adjustments.

The most explosive conflicts have broken out in the Midwest, where newly elected governors, including one Democrat, are seeking both cuts in benefits and restrictions on collective bargaining and the right to strike.

The Democratic-controlled state is Illinois, which has proportionately the largest deficit of any state, nearly 50 percent of total spending. Last year the state enacted a drastic reduction in the pensions of future state workers, cutting the state's yearly pension contributions as well. This year, House Speaker Michael Madigan, the most powerful state Democratic politician, has called for pension cuts for current workers, and the legislature is discussing a bill to step up performance reviews of public school teachers and drastically limit their right to strike.

In his February 16 budget address, Democratic Governor Patrick Quinn hailed last year's cuts as "the most far-reaching public pension reform in our nation's history" and pledged to carry out further measures to close this year's \$15 billion deficit.

In Ohio, Republican Governor John Kasich is pushing through legislation to limit or end collective bargaining for many state workers, despite widespread opposition (See: "Columbus rally against anti-worker legislation").

The subservience of the unions was demonstrated by Tim Burga, president of the state AFL-CIO, who testified before a committee hearing February 22. "Public-employee unions," he said, "have assured this committee that they will continue to work collaboratively with government officials as we work together to find solutions to create private-sector jobs that sustain our public budgets."

In Indiana, efforts by the Republican-controlled legislature to enact a state "right-to-work" anti-union law ended Tuesday night after Democrats deprived the legislature of a quorum by leaving the state. Thousands of workers demonstrated outside the state capitol in Indianapolis Monday against the bill, part of a package of right-wing legislation that failed to pass.

At least as important as the maneuvers by the Democrats, however, was the lack of support for the bill by Republican Governor Mitch Daniels, who said there had been no discussion of a right-to-work law in last year's election campaign. "I thought there was a better time and place to have this very important and legitimate issue raised," he said, arguing for his fellow Republicans to focus on other legislation, such as a school voucher program.

In Michigan, the budget proposed by Republican Governor Rick Snyder avoids the overtly anti-union posture of neighboring Ohio and Indiana in favor of a roundabout method of accomplishing the same goal. Snyder's budget, released February 18, would extract \$180 million in concessions from state workers through higher health care premiums and other cuts.

In addition, three bills introduced into the Republicancontrolled state legislature would allow emergency financial managers for bankrupt cities and school districts, appointed by the governor, to rip up union contracts. The budget slashes revenue-sharing with local jurisdictions, which will produce a wave of such bankruptcies.



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