

Massachusetts: Democrats attack municipal workers' health care

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The Massachusetts House of Representatives has voted that cities and towns throughout the Commonwealth can rip up existing union contracts and force municipal workers into cheaper health insurance plans.

The heavily Democratic state House voted 111-42 in favor of the anti-worker legislation (128 of 160 seats are held by Democrats). The move, which is based on a proposal by Democratic Governor Deval Patrick, demonstrates the bipartisan nature of the assault on workers' rights being waged across the US.

The vote in the state House was taken at 11:30 p.m. last Tuesday night, April 26, in an effort to preempt a protest planned for the following day by firefighters and police against the measure. The bill will next be taken up by the Senate, in which the Democrats' control is even more lopsided (36 Democrats to 4 Republicans).

The bill would allow municipalities to reduce their employee benefit costs by doing away with current contracts and forcing workers into the state's cheaper Group Insurance Commission or a plan of similar cost. When Governor Patrick first filed the bill on January 21, it required cities and towns to make this change and to do so by June 30. It also required that municipalities move eligible retirees onto Medicare from the more generous plans they had won through decades of bargaining.

The Group Insurance Commission already covers all state employees and elected officials through insurance purchased from Harvard Pilgrim, Tufts, Fallon and Health New England.

Instead of collective bargaining, the bill provides a 30-day period for "discussion" between the unions and each city or town, but the local governments will have unilateral authority to impose cuts at the end of the 30 days. During consideration of the bill, the unions had argued for a 45-day period ending in arbitration if agreements were not reached. The House bill also allow for a one-year transition period during which 20 percent of the savings would go to the unions, which originally had asked for only 10 percent.

Democratic House Speaker Robert DeLeon estimates that this attack on benefits will result in \$100 million in cost savings for cities and towns. In his statement after Tuesday's vote he repeated the lie that there are not enough resources to provide decent benefits. "By spending less on the health care costs of municipal employees," he said, "our cities and towns will be able to retain jobs."

But while workers are targeted for cutbacks, the fiscal year 2012 budget passed by the House on Thursday contained no proposals for new taxes either on corporations or the rich. The state government, which provides hundreds of millions of dollars in local aid to cities and towns every year, is facing another crisis as it prepares its 2012 budget, exacerbated by the end of federal stimulus funding.

Giving the lie to the claim that there are not enough resources to pay for workers' benefits, the *Boston Globe* published an article Sunday about large Massachusetts based corporations that paid no federal income taxes in 2010.

State Street Bank, for example, was able to write off against taxes its past losses from financial speculation, despite the fact that it made \$1.6 billion in profits last year while laying off 400 workers in the Boston area. General Electric, also on the no-tax list, made \$14.2 billion in profits last year; it employs thousands of workers at its jet engine factory in Lynn.

While refusing to touch these corporate profits, the Massachusetts legislature's 2012 budget leaves intact the state's regressive sales tax of 6.25 percent. Combined with rising gas prices, this tax is putting the squeeze on the same workers whose health benefits are being cut.

After the House vote, Governor Patrick claimed in comments to the *Globe*, "I'm not going to sign a Wisconsin-type bill in the end." This statement stands in complete contrast to the fact that he filed the first bill in this attack, telling the *Globe* that unions should have a "role" but not a "veto" in determining workers' benefits.

The web site of the Associated Industries of Massachusetts, a group of private corporations, takes credit for the bill on its web site. That a private sector corporate group is able to call the shots on the benefits of public sector workers demonstrates the increasingly open pro-business stand of state Democrats. Referring to this relationship, Patrick boasted to the legislature at the beginning of the year, "CNBC has moved our state up to the fifth best place in America to do business."

On the other hand, Robert Haynes, president of the Massachusetts AFL-CIO, bemoaned this apparent turn for the worse in his political fortunes, despite decades of subservience on the part of the union bureaucracy to the Democratic Party.

"These are the same Democrats that all these labor unions elected," Hayne told the *Globe*, "The same Democrats who we contributed to in their campaigns. The same Democrats who tell us over and over again that they're with us, that they believe in collective bargaining, that they believe in unions."

Haynes recently made headlines in the state when it

was revealed that, in addition to his salary from the union, he was being paid \$72,700 to sit on the Board of Directors of health insurer Blue Cross Blue Shield of Massachusetts. The state attorney general is now reviewing the not-for-profit status of the insurer.

In the wake of Patrick's January 21 bill, petitions to the legislature for permission to cut workers' benefits are already pending from at least seven towns. Local Democrats are falling into line behind the state party.

Somerville Mayor Joseph Curtatone, for example, released a statement Wednesday in support of the House bill. "We understand the Commonwealth does not have the money to give us the direct state aid we have had in the past," he said, "but at least it can give us the tools to rein in our outrageous health care costs."



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