

Connecticut Democrats, media and unions push state workers to accept concessions

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21 June 2011

Forty-five thousand Connecticut state workers have begun to vote on a deal with the Democratic administration of Governor Dannel Malloy containing \$1.6 billion in concessions. Both Democrats and Republicans in the state legislature, the bureaucratic functionaries of the State Employees Bargaining Agent Coalition (SEBAC) and the corporate media have all sought to turn up the heat on the workers amid initial signs of rank-and-file opposition.

The deal is universally presented as a “no-brainer,” with warnings that catastrophe will inevitably ensue if the deal is rejected, and mass layoffs result from a no vote. Behind these at times hysterical warnings is a palpable fear that the workers will reject the give-backs dictated by the state and the SEBAC union apparatus.

The Democratic governor has set the tone. Having initially threatened the layoff of 4,700 state employees as the unavoidable outcome of a no vote, Malloy said in a press conference on Thursday, June 2, “They would increase dramatically above that. I think they would reach very deeply, well past people employed 10 years or more.” The governor’s message to state workers could not be clearer: accept sacrifices in wages, pensions and benefits, or join the unemployment lines.

Steven Mikutel, a Democratic state representative from Griswold, underscores this threat: “All hell’s going to break loose if they turn down that agreement. I think they’d be crazy to turn it down.”

The Republicans’ take has been first to suggest—ludicrously—that the deal is a giveaway to state employees. They have sought to take Malloy and the Democrats to task for their supposed inability to take the gloves off when dealing with the workers and to take up their refrain—all too familiar to those who followed recent events in Wisconsin—that public sector workers are free-loading off hardworking “taxpayers” with their allegedly lavish benefits. Back in May, when the first details of the arrangement were made public, House Minority Leader Larry Cafero said, “They [the Democrats] made a bad deal that Connecticut taxpayers already cannot afford and made things much worse.”

A provision in the agreement promising no layoffs over the next four years left Republican Senate Minority Leader John McKinney apoplectic. “A four-year no-layoff pledge, which no one in the private sector has, leaves us four years from now right where we started. Unemployment in the private sector is 9.1 percent. Unemployment in government is zero percent,” said McKinney.

Republicans have also called the agreement into question on the grounds that it may not save the state the money promised. As Republican State Party Chairman Chris Healy put it in a June 6 press release, “Gov. Malloy’s grand plan to wring \$1.6 billion in savings

from state employee unions has been long on rhetoric and short on reality.”

Republican rhetoric aside, Malloy is in reality pursuing concessions every bit as sweeping as anything sought by his Republican counterparts, but he is doing it with the open collaboration of the union hierarchy, which insists that workers’ only alternative is to back the Democratic Party.

The SEBAC union coalition has sought to palm off the concessions package as some kind of victory in the face of difficult circumstances, mainly on the grounds that there will supposedly be no layoffs over the next four years. To this end, they have held a series of meetings with state workers discussing the deal. In a video from one of these meetings, Dan Livingston, SEBAC’s chief negotiator, tells workers, “Nowhere else in the country will you find four years of job security.”

A June 8 editorial in the *Hartford Courant*, Connecticut’s main newspaper, is a reactionary composite of the positions put forward by the Democrats, the Republicans and the SEBAC bureaucracy. To the question of whether Connecticut state workers should accept billions in concessions, the paper replies resoundingly—and predictably—in the affirmative. “They should, for the sake of the state and because it’s truly a good deal for them. Their benefits would continue to be the envy of all...”

“A thumbs-down to the deal by the rank and file would be a catastrophe for them and for the state. We hope there’s a large silent majority of the 45,000 state workers who will seal the deal before the end of this month. This is as good a bargain as they can get—starting with a no-layoff guarantee for four years. Changes in health and pension benefits would still leave state workers with enviable plans.”

As the editorial makes clear, there is no disagreement within Connecticut’s political and media establishment—including the trade unions—that the state’s budget shortfall can only be made up through an attack on the wages and benefits of state employees. As far as the Democrats, the Republicans, SEBAC and the *Hartford Courant* are concerned, a rejection of the concessions package would amount to an act of budgetary sabotage, for which workers would have to pay by sacrificing their job security and facing a more direct and brutal attack on their livelihoods.

SEBAC, the organization which negotiated the agreement with the Malloy administration, represents 15 state employee unions. To go into effect, the agreement must be ratified by 14 of these 15 unions, with a vote of at least 80 percent in favor. The 15 unions are divided into 34 bargaining units, and the voting itself is being carried out by individual bargaining units. Voting is expected to finish by June 24.

As of this writing, 5 out of 34 bargaining units have voted to ratify the deal.

At this point, the deal has also been rejected by one bargaining unit, American Federation of State, County and Municipal Employees (AFSCME) Local 749, which represents clerical workers. AFSCME as a whole comprises 1 of the 15 unions voting. There are 7 other bargaining units within AFSCME, whose votes will be tabulated along with Local 749's in arriving at a total for the union.

The agreement was also turned down by AFSCME Local 1565. Unlike Local 749, Local 1565 is not a bargaining unit in itself, but one of three Locals that together constitute the bargaining unit within AFSCME for employees of the Department of Corrections. Of the other two locals in this bargaining unit, one is in the process of voting and the other will vote June 22-23.

The \$1.6 billion concessions package contains give-backs on practically every level, from wages, to pensions, to health care. Wages will be frozen for two years. After July 1, 2022, the retirement age for a large portion of state workers will be increased by 3 years.

The Early Retirement Subsidy will be reduced for employees who retire early after September 1, 2011. Rather than the 3 percent of annual pay early retirees have customarily paid, these retired workers will be required to pay 6 percent. In addition, these individuals will be compelled to share the cost of their health care premiums with the state, at a rate yet to be determined.

As for health care, the plan calls for various co-pay increases. It requires all workers to pay into a Retiree Healthcare Trust Fund at a rate of 3 percent of income for 10 years. Those wishing to receive retiree health care will need to put in at least 15 years working for the state.

The agreement also includes a switch to "Value-Based" Healthcare, a cost-cutting measure that has grown increasingly popular among large corporations. Workers will be required to get one physical and two dental cleanings each year, along with age-appropriate screenings. Those who are discovered to have certain conditions will be required to go on Disease Management Programs dictated by the measure. Those who fail to receive the required screenings or fail to participate will see their premiums go up by \$100 per month, on top of which they will have to pay a \$350 deductible each year for each member of their household. The program will be mandatory for new employees and optional for retirees.

The aim of these myriad concessions is to cover a \$3.3 billion budgetary shortfall for the state. As he hammered out his budget for the coming fiscal year, Governor Malloy coined the slogan "shared sacrifice" as its supposed driving principle. This cynical rhetoric was meant to suggest that rich and poor alike would be asked to solve the state's budget issues in an equitable fashion, everyone tightening their belts a little, in fair proportion to their means.

This slogan could not have been farther from the truth. While Malloy's budget asked for a modest increase (about 1 percent) in income taxes for those making over \$100,000 and a minimal tax increase on various luxury goods and services, this was still enough to arouse the ire of Republicans and the narcissistic social elements they represent, who regard even the most microscopic limitation of their ability to accrue more wealth as an intolerable affront.

These tax hikes are negligible in comparison to a series of punishing cuts to health care, education and various social services offered by the state. The cuts to social programs and the concessions demanded from state workers are two aspects of one and the same effort on the part of the financial and political elite to put the burden of the budget

shortfall on the shoulders of the working class.

As if to underscore the deep connection between these two fronts in the assault on the living standards of working people, the Connecticut legislature passed Malloy's budget with the \$1.6 billion in savings from labor concessions included before workers had even begun to *discuss* the measure, much less vote on it. This sets up a convenient political narrative in which the viability of the state's budget appears to depend on the state workers' ability to ratify SEBAC's agreement with the state. Should they reject the measure, state employees will be blamed for ruining the budget, and the ensuing layoffs and calls for deeper give-backs will be painted in the press as the inevitable consequence of their poor judgment.

As SEBAC spokesman Matt O'Connor put it, "His [Malloy's] hands are really kind of tied if he gets to July 1, and there's no actual budget, there's a budget with this big hole in it." The media can naturally be relied on not to mention that Malloy has in fact done everything in his power to ensure that his "hands" are "tied."

All of the participants in this shakedown seek to behave as though labor concessions and cuts to social programs are the unavoidable outcome of some immutable objective process. This outlook must be rejected. There is more than enough money not only to eliminate Connecticut's deficit while keeping state workers' wages and benefits, as well as all social programs, intact, but to drastically improve those wages and benefits and expand state services. That money is to be found in the fortunes of the super-rich, who reside in no small numbers on Connecticut's "gold coast," one of the principal centers of hedge fund managers.

According to Forbes's list of The World's Billionaires, there are four *individuals* living in Connecticut whose personal wealth is greater than or equal to the state's \$3.3 billion budget deficit. There are 11 billionaires in the state, with a combined wealth of \$31.4 billion, nearly 10 times the deficit. Steven Cohen, Connecticut's richest man, has an estimated net worth of \$8 billion dollars, more than enough to cover the deficit twice over.



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