Michigan legislature requires cities and schools to cut health care payments

James Brewer
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On its first day in session after a two-month summer recess, the Michigan state legislature passed a bill forcing employees of municipal governments and school districts to pay more for health benefits. The law will set a cap on the amount that localities pay into employee health care plans at $5,500 for a single employee and $15,000 for a family.

Municipalities and school districts would be given the choice to opt out of the restriction by requiring that employees pay 20 percent of the premiums while they pay only a maximum of 80 percent. Workers could pay up to $3,000 a year more for his or her family's health care premiums.

Penalties to localities and school districts that fail to abide by the health care spending limit are included in the bill. A loss of up to ten percent of state aid revenues could result from non-adherence.

Republican Governor Rick Snyder is expected to quickly sign the bill into law.

Another law passed the same day sends to Snyder for approval a four-year cutoff for welfare benefits. This law is slated to take effect on October 1, a date which is being called "doomsday" by many in the Detroit area. It will immediately force 11,188 families with 29,707 children off the cash assistance program.

Human Services professionals expect a catastrophic increase in the numbers of people forced into destitution without any source of income. (See "Michigan welfare benefits cut to 48 months".) Food stamp eligibility has already been tightened in Michigan resulting in tens of thousands of college students losing benefits.

The attitude that motivates the health care legislation was expressed in the comments of Republican State Senator Patrick Colbeck: "For too long, [public employee health care] has been like going to a grocery store with your shopping cart and picking everything you want off the shelf. Now we have to be aware of what we are spending."

The Michigan bill is part of a nation-wide attack on public education, including trillions of dollars in cuts in federal programs. Corporations throughout the country are slashing benefits or eliminating coverage altogether, spurred on by Obama's health care "reform."

Democrats, community organizations and the unions postured as opponents of the health care cuts, but only complained that the bill overrides local control of contract negotiations.

Ben Bodkin, legislative affairs director for the Michigan Association of Counties said, "The state has never been involved in negotiating our benefits before. We believe helping counties specifically with additional tools to help control their costs themselves are a good idea across the board, but we do not support mandates."

Democrat state Senator Coleman Young II said, "It's an act of big government to impose its will on small governments. In the city of Detroit, last time I checked we had home rule authority."

Such opposition is merely tactical. Both Democrats and Republicans support drastic attacks on the working class, as is amply demonstrated by the situation in Detroit, where the Democratic Party establishment is implementing devastating cuts in public education and pay and benefits for government workers.

Earlier this year, the state of Michigan passed a law establishing the authority of state-designated "Emergency Financial Managers" to unilaterally cancel union contracts in cities that they deem are "financially troubled."

Last March, the Michigan state unemployment benefits term was cut from 26 to 20 weeks maximum

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and retirees’ benefits tax exemptions were removed.

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