

US public sector cuts part-time work in advance of Obamacare mandate

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Public sector employers across the US are limiting or reducing the work hours of part-time workers in advance of requirements of the Affordable Care Act (ACA) that they provide them with health insurance. According to a report in the *New York Times*, cities, counties, public schools and community colleges are among those employers who are adjusting their workforces to comply with the ACA.

These changes in public sector employment are being made despite the fact that the White House has twice delayed the employer mandate under the health care legislation popularly known as Obamacare. Last year, all employers were granted a reprieve until 2015, and earlier this month employers with 50 to 99 workers were given until 2016 to comply.

According to the health care legislation, employers with more than 50 workers must offer insurance coverage to employees who work at least 30 hours a week or face a tax penalty. Public sector employers say that they are making changes to their workforces now because their obligation to provide health coverage beginning in 2015 would be based on hours worked by employees in 2014.

Those workers seeing their hours cut back in recent months include substitute teachers, part-time instructors at universities and community colleges, bus drivers, athletic coaches, school custodians, cafeteria workers, police dispatchers and prison guards.

Obamacare, whose ostensible aim was to extend health coverage to millions of workers, is apparently having the opposite effect in the public sector. Local and state governments and educational bodies, already cash-strapped through federal budget cuts and austerity, are unable and unwilling to absorb the costs associated with providing health care to additional workers and are responding instead by cutting employee hours and

reducing the number of full-time workers.

On its web site, the American Federation of Teachers lists three dozen public colleges and universities in 15 states that have restricted the work assignments of adjunct or part-time faculty members to avoid the cost of complying with Obamacare. In Florida, for example, Daytona State College has limited adjunct faculty to 9 credit hours per week, while Palm Beach State College has reclassified adjunct faculty to part-time status.

Community colleges are being particularly hard hit. According to the Association of Community Colleges, part-time faculty members teach about 45 percent of all courses at these institutions. In Illinois, Oakton Community College announced that part-time employees will be prohibited from working more than 30 hours a week. Adjunct faculty's hours will be limited to 9 credit hours per week throughout the New Hampshire community college system.

These cuts mean that part-time public sector workers will be doubly hit: their hours and pay will be cut and they will not have health insurance. While their employers will be under no obligation to provide health insurance, these uninsured workers will be required to obtain insurance or pay a penalty. If they do not qualify for a government-run program such as Medicaid, they will be required to purchase coverage on the health care exchanges set up under Obamacare, where for-profit private insurers are selling policies.

The situation in Connecticut is representative of that in many states, where many part-time school workers presently work more than 30 hours a week and do not receive health benefits. Mark Benigni, superintendent of schools in Meriden, Connecticut, told the *Times* in an interview that the new health care law was having "unintended consequences for school system across the nation."

“Are we supposed to lay off full-time teachers so that we can provide insurance coverage to part-time employees?” Benigni asked. “If I had to cut five reading teachers to pay for benefits for substitute teachers, I’m not sure that would be best for our students.”

Virginia officials have indicated that they will not be extending coverage to part-time workers, citing the \$11,000 a year cost per employee for providing it. As thousands of part-time employees in the state presently work more than 29 hours a week on average, the implication is that these workers will see their hours reduced to avoid the employer mandate under Obamacare.

In Vigo County, Indiana, the school system is holding back the hours of school bus drivers, resulting in less field trips for schoolchildren and reduced transportation to athletic events. School employees holding two part-time jobs with hours totaling more than 30 hours a week—sports coach and bus driver, for example—have been required to give up one of these jobs.

The Obama administration has touted the fact that the private sector has added 8 million jobs since the ACA was signed into law in March 2010. While this number is itself inadequate to constitute a “recovery,” the situation in the public sector is even bleaker. During this same time period, government employment at the federal, state and local levels has declined by a staggering 698,000 jobs.

While the White House continues to insist that “there is absolutely no evidence” of any job loss related to Obamacare, a report released earlier this month by the Congressional Budget Office (CBO) projected that the ACA would reduce the full-time labor force in the US by the equivalent of 2.3 million positions by 2021 than otherwise would have existed.

According to the CBO, the projected reduction “stems almost entirely from a net decline in the amount of labor that workers choose to supply rather than from a net drop in businesses’ demand for labor,” resulting in a reduction in labor force participation and in hours worked. The report said that the main factor contributing to this drop would be low-wage workers choosing to work less hours in order to qualify for subsidies to purchase coverage on the Obamacare exchanges.

The CBO report, however, did not discount the

impact of the penalties on employers who do not provide health coverage to their full-time employees. The increasing trend of public sector employers limiting or reducing the work hours of part-time workers demonstrates that this is precisely what is happening, and that the reduction in these workers’ hours is anything but voluntary.



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