

California Democrats collaborate with state employees union to cut workers' wages by 11 percent

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Last Friday, California Governor Gavin Newsom and Service Employees International Union (SEIU) Local 1000 agreed to a two-year wage cut of over 11 percent for 96,000 custodians, administrators and nurses employed by the state government.

Workers are being forced to take two furlough days every month for two years, which equals to a 9.23 percent pay reduction. In addition, the 2.5 percent raise state employees were scheduled to receive on July 1 has been eliminated, and workers will not get a raise until 2022.

In late May, the Democratic governor proposed a 10 percent pay reduction for all state employees to help address, he said, a projected budget deficit of \$54 billion. Newsom indicated at the time that he wanted to rely on negotiating this pay cut with the unions, but if that failed, the governor said, he would seek authority from the state legislature to unilaterally impose the cuts.

On the union's Facebook page, workers denounced the sellout deal, the SEIU and Local 1000 President Yvonne Walker. One worker posted: "Yvonne Walker: No pay cuts, we really need for you to put aside your own personal agenda and focus on our needs. The governor blew the money, and he wants us to pay for it by reducing our pay. We fought to get a pay increase and you want to give it back. NO!!!"

Another posted: "The leadership does not care about all SEIU 1000 members or they would have some balls and tell the state we have NO AGREEMENT. HONOR THE CONTRACT THAT WAS APPROVED BY THE STATE SENATE AND HOUSE AND SIGNED BY THE GOVERNOR!!!!!! They have to have a backroom deal. They are telling people the reason why they are

negotiating is because this is what a majority of people want... I can tell you that a majority of the members that are on FB or in the office that I interact with WANT NO PAY CUTS!!!!!"

In an earlier posting another worker said, "This does not help my mother, a member, retire this year. She has worked so hard for her Department during covid19 and for this union, and all she wanted was her raise before she retires. She is worried about contracting the virus at work and this is why she feels she has to retire so my heart breaks for her now that she will have to retire for her health and she is deserving of her raise and will not get her raise."

The California legislature is overwhelmingly controlled by the Democratic Party. Like Newsom, the state Democrats have all been endorsed and supported with massive campaign contributions by the state's unions.

Commenting on the deal, Kevin Riggs, KCRA 3 political analyst, said, "It's not surprising at all Gavin Newsom is pursuing these labor agreements with these different labor groups." The furloughs, he said, were "a relatively quick way to save money, much quicker than to try and pursue layoffs, which can take a long time to achieve."

Former Governor Arnold Schwarzenegger ordered furloughs during the 2008 financial crisis, Riggs said, adding that the SEIU Local 1000 "went to court to try and fight it, and they lost." But the political dynamics had changed with a Democratic governor, he said. "Schwarzenegger as a Republican governor did not have warm relationships with labor unions, and Gavin does have pretty good relationships. That's why it's been so much easier this time around to pursue this."

In lauding the agreement Yvonne Walker, president of SEIU Local 1000, said, “I know that we were all devastated when the governor put in his May Revise budget that he wanted 10 percent from employee compensation. He wanted to forgo the raises that we had just recently negotiated, because we were in this crisis, but he gave us the opportunity to come in and figure out how we can mitigate this for our members.”

The union “mitigation” consists of allowing workers to choose, when feasible, which days they take off, ensuring the two days per month furlough will not be increased during the period of the agreement, and if the state budget improves, the amount of days furloughed could be reduced. Lastly no wage reduction caused by the furloughs can reduce a worker’s wage below \$15.00 per hour, the union claims.

Walker boasted that union officials were being drafted onto “a cost-savings taskforce to guide and source future efficiencies that do not rely on continual cuts to Local 1000 represented state workers.”

The slashing of wages for these California state workers is the beginning of a process that will be repeated throughout the country during the coming months. According to the Center on Budget and Policy Priorities (CBPP), states are expecting a \$650 billion budget shortfall over the next three years as a result of declining tax revenues from the pandemic.

Most states and municipalities will attempt to overcome these budget shortfalls either partially or completely by slashing the wages of their workers as well as cutting or eliminating social programs.

While gutting vitally needed social services and gutting the wages, health and retirement benefits of public employees, the Democrats and Republicans have handed the keys to the US Treasury to Wall Street and giant corporations, with the near unanimous passage of the CARES Act in March.

California Democrats, along with state Republicans, have also handed over billions of dollars in tax cuts and other subsidies to the giant tech companies in Silicon Valley, the entertainment monopolies in Hollywood and other corporations, from banking to the defense industry. The state is home to 165 billionaires with a combined net worth of \$723.7 billion, including Oracle’s Larry Ellison (\$59 billion), Facebook’s Mark Zuckerberg (\$54.7 billion), Google’s Larry Page (\$50.9 billion) and Tesla’s Elon Musk (\$24.6 billion).

There is not the slightest hint that the crisis triggered by the pandemic and the economic crisis should be paid for by sharply increasing the taxes on the super-rich who have seen a vast increase in their personal wealth from the stock market rise, even as more than 124,000 people in the US and over 5,500 in California have died from COVID-19.

To add insult to injury, four members of the state Citizen Compensation Commission, who are appointed by Governor Newsom, announced that despite the severe budget crisis and wage cuts to state employees, no elected state office holder will have their compensation reduced. “I’m not interested in a meaningless, symbolic gesture,” Tom Dalzell, the chairman of the compensation commission, declared.



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