



## What the "Budget Repair" Bill Really Means Released February 14, 2011

Governor Scott Walker has sent his proposed "budget repair" bill to the Wisconsin legislature. This bill has far more to it than just repairing the budget. This bill is not just about the budget but is also about worker rights and an attempt to end public sector labor unions. It must be considered for what it is and considered very carefully as it may become a law which our citizens will have to live with for many years.

The economic impact of the budgetary changes Walker proposes that affect the unions would make little difference in the state budget. He wants to require employees to pay much more for health insurance and pension contributions. Reducing employees take home pay by 8 to 10% or more would reduce the amount they pay in income taxes to the state and only increase the reduction in state income tax revenue. Furthermore, it would mean these employees and their families would spend less on goods and services in our state, providing less revenue from sales tax. Since a major reason for the state's current budget shortfall has been reduced state tax revenue, it would not help the long term budget problem but add to the state's budget shortfall. It also would not help the states economic recovery in general, and may cause businesses, small and large, to suffer. Wisconsin, rather than being open to business, could quite possibly have cause for businesses to be closed!

While Walker's proposal would only make a short-term difference in the state budget, the real impact of this bill, and a large part of what it is about, is simply union busting. It intends to permanently take away all public sector employees' rights in negotiations over working conditions, fundamental worker rights which Wisconsin has proudly supported for all its citizens. It would strip away the rights of public employees to be represented by unions in negotiations with employers over everything except wages. Wages have the biggest impact on the cost of any contract. Language on non economic topics adds little to contract costs and therefore removing the rights to negotiate working conditions would have minimal impact on the budget. Unions are needed to represent the workers in negotiations with employers on all aspects of employment; not only for their own benefit but for the benefit of the public they serve.

It is interesting, though, that this bill does not apply to all public employee unions. It seems that some of those who supported Scott Walker's election campaign were not included. Therefore those unions would keep all the rights that they currently have. Why it is vital to make changes to select public sector unions, but not all, to correct a budget deficit once again smacks of politics rather than public policy for the good for Wisconsin.

The Milwaukee Journal Sentinel quoted Governor Walker expressing his lack of understanding of the need for public sector unions: "I get why unions make sense in the private sector...but at

the public level, it's the government, it's the people, who are the ones who are the employers...Whether someone is in the union or not...we protect sick leave, vacation time. We protect work rules."

What the Governor does not understand is that the state did not just give employees those benefits and rules. Instead it was because the unions fought long and hard to get the state to provide those benefits and protections. It was the unions, through decades of negotiations, which made the government provide vacation and holiday time, sick leave and health insurance, pensions and retirement benefits, work place rules for safety and anti discrimination policies in the work place. These were provided because of the fair, honest, and respectful cooperation between labor and management in negotiating the many conditions of employment. Even those employees not represented by unions and collective bargaining rights have benefited from what unions have done and continue to do to protect those they represent. The existence of the unions and the collective bargaining process improves the prevailing wages, working conditions, and benefits for all workers everywhere in Wisconsin.

Governor Walker's extreme proposal to take away Wisconsin public sector employees' rights to be represented by unions in negotiations with their employers is foolhardy. It is important that the public stands up for the Wisconsin employees who provide the vital services to our citizens and to protect all the hard working men and women throughout Wisconsin. The public needs to protest this bill for what it is and demand of their legislators that the budget repair legislation honestly provides relief and not be used as an attack on public employees.

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