

The State of State Unions: A Year in Review

By Adam Santucci

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Many watched intently in early February as the political theater unfolded in Madison, Wisconsin when Republican Governor Scott Walker proposed legislation to limit the collective bargaining rights of most state government employees. In a matter of days, the Capitol would be swarming with protesters and demonstrators on both sides of the issue. What followed was weeks of sit-ins in the Capitol, a mass walkout by all 14 Democratic State Senators to block a vote on the proposed law, the unprecedented recall elections of 6 Republican and 3 Democratic state lawmakers and a bitterly fought campaign to unseat an incumbent State Supreme Court Justice widely viewed as a pro-Walker.

Those in favor of public sector reform argue that collective bargaining limits are necessary to deal with steep budget shortfalls. Projections from Governor Walker's office estimate that the state will save approximately \$30 million this year as a direct result of the new law. On the other side, pro-union allies contend that moves like the one in Wisconsin are nothing more than a political power grab designed to bust up unions and cripple their longstanding support of Democratic candidates. Observers on both sides generally agree though that the movement to reform public sector collective bargaining rights has invigorated the debate on the role of unions in today's uncertain economic climate.

Wisconsin's law essentially limits collective bargaining for all state employees, except police officers, firefighters and state troopers, to negotiating wages. Essentially, state employees are limited to negotiating an increase in wages commensurate to the rise in inflation, unless voters approve additional wage increases through a referendum. In addition, state employees are required to contribute more toward their healthcare costs and pensions. And, under the law, unions can no longer require members to pay dues and must hold annual votes to maintain their status.

By March, even with the burgeoning protests in Wisconsin, 18 other states would follow its lead and propose various forms of legislation to curtail the collective bargaining powers of public unions. Of these 18 states, Ohio's efforts have garnered the most media attention. Under Ohio's Senate Bill 5, passed at the end of March, state employees would be required to contribute more of their salaries toward guaranteed pensions and healthcare costs. The bill also outlaws public sector strikes, bans binding arbitration, replaces a seniority system with merit-based pay for workers and gives

counties and other legislative bodies, such as school boards, the final say on what offers to accept. If the legislative body refrains from selecting either side's last best offer, the public employer's final offer would win out.

In states like Indiana, Idaho and New Hampshire, less ambitious legislation has been introduced to curb state unions. The laws passed in Indiana and Idaho deal exclusively with narrowing the scope of collective bargaining rights for teachers. While in New Hampshire, the legislature is currently reconciling separate right-to-work bills passed in its House and Senate. The final bill would allow workers who opt out of a union to stop paying union fees.

Unions have not sat by idly following the wave of new legislation. The International Association of Fire Fighters announced in April that it will not support any federal candidates this election cycle as a protest against the collective bargaining laws. During the 2010 election cycle, it spent almost \$15 million on behalf of federal candidates. In Ohio, in the months since the passage of Senate Bill 5, unions and their members have regrouped and worked to collect enough signatures to place a referendum on the ballot challenging the law. By mid-July, over 1.3 million Ohioans signed a petition to trigger a referendum. Issue 2 is officially on the ballot and will determine the fate of the law in Ohio going forward. Two weeks before the election, the latest polling data from Quinnipiac forecasts the likely repeal of Senate Bill 5 – 57 percent to 32 percent.

Meanwhile, in Wisconsin, the first rounds of collective bargaining under the new legislation have begun. The school board in Neenah, Wisconsin negotiated with teachers on the only matter that they are legally allowed to bargain for – a salary increase based on increased inflation. The pay increase for the teachers will not exceed 1.7 percent and they will see their benefits decrease by 4.3 percent. Teachers in Neenah will also pay more toward their health insurance premiums and pensions. The teachers reported that the school board negotiated fairly given the constraints of the new law.

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