

WSJ: State Plans Anger Unions

Date: Thursday, February 17 @ 07:43:36 EST

Topic: Right-to-work

FEBRUARY 16, 2011.

Proposed Curbs on Bargaining Rights Threaten Membership, Labor Leaders Say

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MADISON, Wis.—Union leaders say overhauls of rules for public- and private-sector unions being considered in Wisconsin, Ohio and about a dozen other states threaten to accelerate the decline in membership nationwide and hurt organized labor's finances and political clout.

On Monday, presidents of more than a dozen of the nation's biggest unions met to strategize, and pledged more than \$25 million to counter efforts to scale back bargaining rights that in many cases would give employees the option of not belonging to a union or paying dues, according to a union official familiar with the matter.

Proposals in Wisconsin and other states have "great ramifications" beyond the damage to union coffers and membership, said Gerald McEntee, president of American Federation of State, County and Municipal Employees, the nation's biggest public-sector union.

Unions have told the Obama administration that the state fights could affect the 2012 presidential election by draining unions' political resources, especially in states like Wisconsin and Ohio. "I think it can put him in some [political] danger," Mr. McEntee said of the president.

Unions spent more than \$400 million in 2008 to help elect President Barack Obama and other Democrats, with public-sector unions such as AFSCME among the biggest contributors.

A number of governors in both parties are pushing to change union rules in the face of massive budget deficits driven in part by large pension obligations. Sentiment toward public-sector unions has soured amid cuts in state services, anger over taxes and growing concern over states' financial burdens.

Additionally, some labor experts say the economic hardships facing states are also providing an opportunity for governors and lawmakers to weaken public-sector unions that have exerted growing political influence in recent years. Even as union membership overall has dropped nationally, it has risen in the public sector. That has made the sector far more heavily unionized than the bigger private sector, and made government workers now the largest single share of workers belonging to unions.

Thus, new curbs aimed at public sector-workers could, besides reducing the number of total unionized workers, ripple across the whole work force, labor leaders say.

A downward spiral in membership would weaken unions' political influence, particularly in key states such as Ohio and Wisconsin, according to some labor-movement observers.

"It could cripple the Democratic Party in 2012," said Nelson Lichtenstein, director of the Center for the Study of Work, Labor and Democracy at the University of California at Santa Barbara.

In Wisconsin, lawmakers could vote as early as Thursday to take away most bargaining rights for about 170,000 public-sector workers. The proposal from Republican Gov. Scott Walker would limit collective bargaining for most state and local government employees to issues of wages, and exclude pensions and health care. It would also require government workers, who currently contribute little or nothing to their pensions, to contribute 5.8% of their pay to pensions, and pay at least 12.6% of health care premiums, up from an average of 6%.

Mr. Walker said in an interview Tuesday that eliminating most bargaining rights would give local governments more flexibility to maintain jobs and services while finding ways to cut spending. "We're giving these people the tools to balance budgets without laying people off," he said.

He said 5,500 state jobs and 5,000 local jobs would be saved under his plan, which would save \$30 million in the current budget and \$300 million in the two-year budget that begins July 1. Wisconsin faces a \$137 million shortfall in the current budget that ends June 30.

In Ohio, lawmakers are holding hearings this week to limit bargaining rights for about 400,000 public employees under Republican Gov. John Kasich's plan.

More than a dozen other states are considering so-called right-to-work proposals that would give private-sector workers the option of not belonging to a union or paying dues even if the union bargains with an employer on their behalf. Virginia is already a right-to-work state, but there is an effort to put that provision in the state constitution. In Michigan, an initiative has been filed that would eliminate state employee collective bargaining.

Roughly 5,000 union members from around the state converged on Madison, Wisconsin's capital, on Tuesday, carrying signs and chanting "Kill the Bill."

Ed Lawlor, a 52-year-old elementary-school teacher from Kenosha, grew angry as he spoke about what he called Gov. Walker's "power grab."

"If this goes through you're going to see this played out across the country. This needs to stop right here," he said.

Republican state senator Pam Galloway, who defeated a 20-year incumbent Democrat in November, said union supporters protested outside her home on Sunday, shouting

"Galloway, Vote Our Way." But she said she still planned to vote for the governor's proposals.

"We were elected to help the taxpayer, and that is what we will accomplish by voting for this bill," she said.