

POINT: Public Employee Unions

Assault on public employees is an assault on all workers and must stop

Each of us knows someone personally who teaches in our local schools, patrols our streets to keep us safe, rushes in to save lives and property during fires,



Carrigan

plows snow from our streets so we can get safely to work and school or makes daily visits to an elderly parent or friend to keep them clean and fed. These people are public employees - hard-working, middle-class citizens. So I have to ask...Do you think they make too much money? Do they deserve health care? Should they be able to collect the small pension that they paid into for many years?

I would imagine you do know these people. They may be family members. I imagine you couldn't look them in the face and tell them they don't deserve their retirement money or the right to collectively bargain for their wages and safe-keeping on the job. But that's exactly what's happening to middle-class workers all across this country.

Recently, public employees and their unions have been under attack in many states across the U.S., including here in Illinois. In Wisconsin, over the objections of hundreds of thousands of workers who marched in protest at the state capitol for weeks and weeks, lawmakers

passed legislation that took away their bargaining rights. Gov. Walker pretended the issue was the state budget, but it became obvious it was not about the state budget...it was about workers having a voice on the job. In Indiana, Ohio, Michigan and Missouri legislation to further curb collective bargaining rights is also on the fast track to becoming law.

Why is all of this happening? You can argue that it's the corporate agenda to take away the only equalizing power that workers have - to organize in a union and to have a voice at the bargaining table. The old adage applies..."United We Bargain - Divided We Beg." Or you can surmise that it's Democrats versus Republicans. Once Republicans have eliminated the major political contributors to the Democratic Party - labor unions and their members - they will win more races and rule the day.

You can form your own opinion, but the bottom line is state, county and municipal workers and the citizens they serve are better off because of unions. In 1935 the National Labor Relations Act (Wagner Act) was passed and signed by President Franklin Roosevelt. It protects workers' rights to organize and bargain collectively in the private sector. Since then, most states have passed collective bargaining rights for public workers as well.

Because of collective bargaining, workers make decent wages, have affordable health care, work in safe environments and have modest pensions that allow them to live above poverty and be independent; and all pay taxes and give back to their communities.

Collective bargaining creates a better work environment, helps solve problems, improves productivity, identifies training and safety needs, reduces turnover and curtails work stoppages - all good, sound business practices.

Those who want to place the blame for our state's financial woes on the backs of state employees should know the facts...

- Illinois public pensions are very modest. The typical retired state employee on the standard formula, who does receive Social Security, earns about \$22,000 a year.
- Over 3/4 of public employees in Illinois do not participate in Social Security including all teachers, police and fire. This saves the state billions each year in FICA taxes.
- Public employees contribute significantly and consistently to their own pensions. Teachers pay 9.4 percent of their salary directly into the Teachers' Retirement System (TRS). State employees on the alternative formula contribute 8.5 percent of their pay into SERS. And state employees on standard formula contribute 7 percent of their checks.
- The pension debt was caused by the state's habitual failure to pay its share of the pension cost.
- The state's cost for pensions is equal to or less than private sector retirement benefits.

Public employees have already made concessions. In Illinois in 2010, the General Assembly pushed through a bill that cut pension payments for new hires. The bill literally was introduced and passed out of both chambers in a matter of hours. Anyone who follows state government knows that's not typical procedure. Now Illinois lawmakers are talking about making similar cuts to current employees' benefits. However, a legal report on the constitutionality of changing existing state employee contracts says it's unconstitutional and can't be done. The report can be found at www.illinoisenatedemocrats.com and is a must-read.

The assault on hard-working, middle-class state workers must stop. They deserve our respect and thanks...and their pensions! And don't think because you don't belong to a union this battle doesn't affect you. Taking away collective bargaining rights for any worker is an assault on all workers. It is a fundamental right to have a voice on the job. The labor movement has been fighting for that right for hundreds of years, and we are still fighting today - for you and for your children, and for a more equal playing field for all workers.

Michael T. Carrigan is president of the Illinois AFL-CIO. The Illinois AFL-CIO is the umbrella organization for the state's 1,500 labor unions, representing 900,000 members.

FGM ARCHITECTS

FGM exists to enhance communities by creating quality environments.



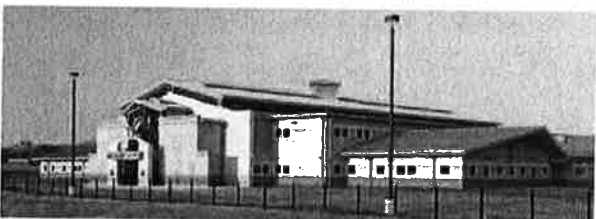
Wescan High School, Wescan, Illinois



Engine House #1, Hannant, Missouri



SIUC Transportation Education Ctr.



Mt. Vernon Armed Forces Reserve Center, Mt. Vernon, Illinois

O'Fallon
618.624.3364

Oak Brook
630.574.8300

Chicago
312.948.8461

www.fgmarchitects.com



Geotechnology, your one-stop provider of Geotechnical, Environmental, Geophysics, Drilling, Materials Testing, and Non-destructive Testing services for transportation/infrastructure, development, and industrial projects in Illinois, Missouri, Tennessee and Kansas.

907 North Bluff Road
Suite 1
Collinsville, IL 62234
(618) 345-4811
geotechnology.com



COUNTERPOINT: Public Employee Unions

Madison protest: Unions are angry - but Wisconsin should go even further

Chaos in government. Tens of thousands of angry protesters in the streets. Schools closed. Yes, Wisconsin looks a lot like Egypt. But while Arabs are fighting to end extraordinary overreach by government, Wisconsin union protesters are fighting to preserve it.

At the heart of the dispute is bold legislation by Wisconsin Gov. Scott Walker (R) that curtails collective bargaining by most but not all of his state's public sector workers, including teachers.



Edwards

That is a long overdue reform - but the governor's plan doesn't go far enough. A dozen or so states, including Virginia, where I live, do not allow collective bargaining in the public sector at all, and these states are doing just fine without it.

The government union issue is coming to the forefront because states, facing huge deficits, are desperate to reform their budgets and cut pensions. Wisconsin is just one of several states where legislatures, empowered by Republican victories last fall, are finally tackling one of the root causes: the ability of public sector unions to squeeze taxpayers for exorbitant benefits. In states that have unionized workforces, needed reforms are facing huge and aggressive anti-reform lobbying campaigns by the unions.

In 2010, 36 percent of state and local workers were members of unions, which is five times the union share in the U.S. private sector. Yet prior to the 1960s, unions represented less than 15 percent of the state and local workforce. At the time, courts generally held that public sector workers did not have the same union privileges that private workers had under the 1935 Wagner Act, such as collective bargaining.

The rise of public sector unions

That changed during the 1960s and 1970s, as a flood of pro-union laws in dozens of states triggered a dramatic rise in public sector unionism. Many states passed laws that encouraged collective bargaining in the public sector, as well as laws that imposed compulsory union dues.

Today, the union shares in government workforces vary widely by state. About 26 states have collective bargaining for essentially all state and local workers. A further 12 or so states have collective bargaining for a portion of their state and local workers, and the remaining 12 states do not have public sector collective bargaining. At the same time, 22 states have "right-to-work" laws, which free workers from being forced to join a union or pay union dues.

These differences in unionization between the states affect fiscal policy. Statistical studies find that unionized public sector workers earn a wage premium of about 10 percent over non-unionized public sector workers. This is important because employee compensation represents half of all state

and local government spending.

Aside from inflated wages, public sector unions have pushed for excessive pension benefit levels, which are creating a fiscal crisis for many governments. That's another reason unions are so angry in Wisconsin: Gov. Walker is demanding that state workers carry more of the burden for their health and pension plans.

High cost of "generosity"

Defined benefit pension plans are available to about four-fifths of state and local workers but just one-fifth of private workers. And public sector plans are typically about twice as generous as remaining private plans. That generosity has led to a \$3 trillion funding gap in public sector pensions. That gap will create a huge burden on future taxpayers unless benefits are cut, and unions often stand in the way of such reforms.

Unions increase government costs in other ways. They often protect poorly performing workers, and they usually push for larger staffing levels than required. Unions typically discourage the use of inexpensive volunteers in government activities, and they create a more bureaucratic and inefficient workplace.

Unionism seems to coincide with poor state government management. States with higher public sector union shares tend to have higher levels of government debt. And the states with higher union shares do more poorly on grading by the Pew Center regarding the quality of public sector management.

Public sector unions are powerful

and special interest groups. The teachers unions, the American Federation of State, County and Municipal Employees and the Service Employees International Union have more than seven million members combined. They have well-financed political war chests and are very active in political campaigns.

Inconsistent with freedom

Unions certainly have free speech rights to voice their opinions about public policy. But collective bargaining gives unions the exclusive right to speak for covered workers, many of whom may disagree with the views of the monopoly union. Thus, collective bargaining is inconsistent with the right to freedom of association.


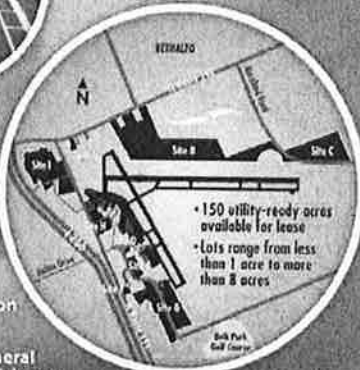
In states such as Virginia, teachers and other government workers may form voluntary associations and lobby the government, which is fine. But collective bargaining - or monopoly unionism - gives a privileged position in our democracy to government insiders who focus on expanding the public sector to own their personal benefit.

Wisconsin's proposed union reforms are on the right track. But state governments should repeal collective bargaining in the public sector altogether, following the successful policies of Virginia, North Carolina and other states. That would give policymakers the flexibility they need to make tough budget decisions on pensions and other fiscal challenges facing their states.

Chris Edwards is director of tax policy studies at the Cato Institute.


St. Louis Regional Airport

Ideal Lease Options... Ideal Business Locations

- 150 utility-ready acres available for lease
- Lots range from less than 1 acre to more than 8 acres

- Great Transportation
- Free Parking
- Aeronautical & General Business Tenants Welcome



St. Louis Regional AIRPORT
East of Alton, Illinois

Call the Airport Manager at 618.259.2531 for more details. These plans are at St. Louis Regional Airport. www.stlouisregional.com

BELSHEIM & BRUCKERT, LLC

attorneys

- MUNICIPAL LAW & LAND USE
- LARGE TRACT REAL ESTATE
- PUBLIC/PRIVATE FINANCE (TIF, SSA, BD)
- CORPORATE

Harold G. Belsheim
Terry I. Bruckert

Douglas C. Gruenke
John P. Long

1002 East Wesley Drive, Suite 100, O'Fallon, IL 62269
618.624.4221
www.belsheim.com