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ALL EYES ARE ON WISCONSIN GUBERNATORIAL ELECTION

BY JACK KELLY

You should be careful what you wish for. What may be the most important gubernatorial election ever will take place in Wisconsin on June 5. The labor unions that forced it must now regret having done so.

Forty-four states face budget shortfalls in the 2012 fiscal year (which for 46 states began July 1). Wisconsin was the sixth-most troubled, according to a 2009 analysis.

For decades, spending by state governments has risen faster than the income of taxpayers. Pay and benefits for government workers is, after Medicaid, the biggest reason.

The average compensation per hour worked for state and local government workers is 45 percent higher than the average for workers in the private sector, according to a **Cato Institute** analysis of data from the Bureau of Labor Statistics. This is because of a cozy arrangement between Democrats and public-employee unions. Politicians get votes and campaign contributions from the unions, then pay off the unions from the public treasury.

Taxes in Wisconsin in 2009 were among the highest in the nation, so when Gov. Scott Walker took office in January 2011, he planned to close the \$3.6 billion deficit he inherited by cutting spending, and by requiring public employees to pay 12.6 percent of their salaries for health insurance (private-sector workers pay, on average, 21 percent), and contribute 5.8 percent toward their pensions (most private-sector workers don't have employer-funded pensions).

His budget reform bill also restricted collective bargaining to wages only. This was necessary, Mr. Walker said, because the teachers union was requiring school districts to buy very expensive health insurance from a company the union owned.

The left exploded in outrage. Mr. Walker was compared to Hitler, Stalin and Mussolini. Democratic state senators fled the state to block a vote. Protesters occupied the state Capitol.

The budget reform bill is "the most bald-faced assault on America's middle class I've ever seen," said AFL-CIO chieftain Richard Trumka. President Barack Obama sent political operatives to Madison to help organize the protesters. In the battle to get public-employee unions to live within our means, Wisconsin was Ground Zero.

Labor and liberal groups spent millions to defeat the budget-reform bill, then millions

more on failed attempts to recall Republican legislators and to defeat a conservative state Supreme Court justice.

Undaunted, unions spent additional millions to force the recall election, and to support their preferred candidate in the primary May 8. She was drubbed by Milwaukee Mayor Tom Barrett.

Mr. Walker got more votes than the leading Democrats combined. That's chiefly because the bad things Democrats said would happen didn't. The only school districts where layoffs are likely are those that didn't take advantage of his reforms.

The budget is balanced. Property taxes -- which had risen more than 40 percent since 1998 -- went down. The unemployment rate dropped from 7.7 to 6.8 percent. Wisconsin moved up 21 slots in an annual CEO survey of the best states in which to do business.

So even though it's the reason for the recall election, Mr. Barrett rarely mentions the budget reform bill. He's been hammering away instead on a BLS report indicating Wisconsin lost 29,000 jobs last year. Mr. Barrett lost his hammer May 16. Wisconsin has gained 23,321 jobs, according to the state's Quarterly Census of Employment and Wages.

The BLS figure was derived from a sample of just 3.5 percent of employers, and is "subject to significant revisions," noted the Milwaukee Journal-Sentinel. The Quarterly Census is a hard count of 95 percent of Wisconsin employers.

"The total workforce has expanded, number of people employed has expanded, and the number of people unemployed has fallen -- sort of the ideal situation that you want," said Wisconsin's chief economist.

Polls indicate Mr. Walker leads Mr. Barrett by more than the 6 percentage point margin by which Mr. Walker beat Mr. Barrett in 2010. The mayor's prospects were not improved when he was accused of awarding illegal no-bid contracts to a campaign donor.

It may be the only way to get Scott Walker out of the statehouse is if Mitt Romney makes him his running mate.