

LABOR COALITION CALLS FOR LESS BUDGET CUTS AND FAIRER TAXATION

By Jeff Cox

The Coalition for Labor Engagement and Accountable Revenue (CLEAR), a coalition of the Commonwealth's leading public and private labor organizations, said today it will be advocating "for a balanced approach to budgeting that makes sound public investments, provides essential services to Pennsylvanians, and includes sustainable approach that includes enhancing revenues." Pennsylvania AFL-CIO President-elect Rick Bloomingdale said, "We are school employees, firefighters, healthcare workers, nurses, highway workers, prison guards, school bus drivers, parole agents and working families in the building trades and we are united in support of a sustainable budget approach that includes enhancing revenues, making taxes fairer, preventing harmful cuts to essential public services, and saving jobs."

Bloomingdale outlined the Coalition's principles, which include:

- The Commonwealth must maintain and ensure that all services designed to ease the lives of the working poor, unemployed, children, seniors and people with disabilities are properly funded, even during times of economic uncertainty.
- Pennsylvania lawmakers must find new fair and equitable revenue sources to fill the state's budget gap and not close the gap by cutting services.
- All public sector workers should maintain their current level of employment without the threats of layoffs, rolling furloughs or privatization.
- Retirement security for current and future public sector workers must be protected.

According to Bloomingdale, "Working families deserve a fair state budget that protects public safety, protects jobs and ensures Pennsylvania is positioned for a strong economic recovery."

SEIU Local 668 President Kathy Jellison argued, "More cuts in our essential services and in public safety are not the answers to our budget crisis." She further argued, "The worst thing Pennsylvania can do in a recession is weaken public services that a strong economy needs like education, healthcare, transportation and public safety." Noting that Senate Appropriations Chairman Jake Corman (R-Centre) has been talking about cutting \$1.5 billion from the Governor's proposed budget, Jellison commented that "Senator Corman would have to eliminate 45,000 state jobs including eliminating jobs for state workers who keep Pennsylvanians safe." She went on to say, "This means eliminating the jobs of people who inspect the food we eat, the elevators we ride in, and the childcare facilities, hospitals and nursing homes that we rely upon to provide quality care for our families."

UFCW President Wendell Young said, "We are working with Democrats and Republicans in a bipartisan way on both short-term and long-term solutions to the budget crisis." He expressed the Coalition's support for [House Bill 2435](#). Young outlined the revenue enhancements supported by the Coalition including: the closing of the "Delaware loophole"; eliminating the sales tax vendor discount; enacting a natural gas severance tax; and closing Pennsylvania's tobacco tax loopholes for smokeless tobacco and cigars.

The members of the Coalition include the Pennsylvania AFL-CIO; AFSCME; AFT Pennsylvania; Pennsylvania Professional Firefighters Association; SEIU; UPCW; and PSEA.

The Coalition representatives then responded to questions from the news media.

Your position is that the number of state of workers should not be reduced. Aren't you taking a position different than the candidates for Governor?

Young: Our position is that there are other things we can do before we start looking to a race to the bottom on how to cut services and other important, needed government-provided facilities for the taxpayers of Pennsylvania.

The Democratic nominee for Governor has said he cut employees in Allegheny County and would do so again and the Republican nominee for Governor has said the same thing. Aren't you rolling upstream in the current climate?

Young: I do not believe so. My position and I believe others' is: First we need to look at closing the type of tax loopholes that exist and collect money from people who can and should be paying more while the rest of us pay our full share of taxes. There are other things that could be done to continue to provide the services that the government provides without cutting peoples' wages, benefits and jobs.

Bloomingdale: My mother taught me a long time ago that just because everyone else jumps off a bridge she asked me if I would too and I hopefully said no. The issue here is about education. That is one of the guiding principles of the CLEAR coalition. Folks in Pennsylvania need to understand what it is public sector workers do to make things

easier for the business community. I had one State Senator mention to me that he had a number of businesses that are ready to expand and he couldn't get things done through DEP. His first reaction was things are always slow at DEP. I reminded him that was one of the places where they had had the most layoffs and the fewest positions filled than any other department and maybe because there were not enough people to do the work to get our businesses the permits they need so they can expand. Folks have this idea that you can just cut, cut, cut without there being any consequences. There are consequences to these cuts.

Are there any spending cuts you could support?

Bloomingtondale: We think they have cut enough in the last few budgets. We have not been asked to look at those. Obviously, when that stuff gets out there, we will look at reasonable solutions to the budget but we believe they have made enough cuts as evidenced by the Senator telling me about businesses not getting what they need to expand. That is because there are not enough state employees to do that work. We have nursing homes that are understaffed. We have hospitals that are struggling because they can't get the staffing they need. We think the cuts have gone far enough.

Why have you decided to organize a coalition this year?

Bloomingtondale: We are in trouble for a few years down the road. This is a long-term coalition that we have put together in order to try and find solutions to make sure that state government and local governments can function. It is a long-term coalition and we know there is a tough budget fight ahead of us this year and possibly next year. We need to educate folks that closing loopholes and reasonable taxes are not some kind of dirty word.

Many of the state contracts are up next year. Does this have anything to do with contract negotiations?

David Fillman, executive director of AFSCME Council 13 responded: The issue really is the budget. We have not really looked into where the contract negotiations are going to go. We are concerned right now with where the budget process is next month. We don't want to have what we dealt with last year and the last couple of years. Our top priority right now is making sure there are some areas of funding that can come into the budget and take care of the business we have right now. The contract negotiations are right around the corner but they are in the future.

There has been a lot of discussion by the legislature and the candidates for Governor about what has to be done to make the pension system sustainable and talk about cutting future benefits for current employees and cutting future benefits for future employees. It seems unlikely it will be resolved in the next six months. Is that something you are keeping your eye on now and is it something this Coalition will be working on as pension reform goes forward?

Fillman: The employers' pension contributions are part of the budget process and always have been. The fact that the issue is coming in 2012, we are cognizant of that. We are having discussions with the Administration as far as how we can resolve these issues including the legislature. There are no specifics at this time. It is part of that budget process that we have to go forward with and making sure there are not only money for pension contributions but for hospitalization and all the programs we have talked about.

Slippery Rock University and two other state-funded schools have announced layoffs. Do you know if any other schools will have to do the same?

Steve Hicks, president of APSCUF responded: Slippery Rock will be the fourth institution of the 14 to announce those kinds of layoffs. The others are Kutztown, Millersville and Mansfield. We expect there will be a couple of others in the not too distant future. That is one reason we are involved in this coalition. We are talking about public sector jobs and clearly we have faculty whose jobs are in jeopardy. We are all here because we are worried where the state budget is going. The citizens of Pennsylvania need to know that the state budget is not an abstract thing. It's about jobs for real people who take care of and help working class and middle class Pennsylvanians.

You said the proposed \$1.5 billion cut would lead to eliminating 45,000 state jobs. Where did you get that number?

Bloomingtondale: We got the information from the Governor's Office which is half the state workforce. You have to understand that a lot of the state budget does not go just to public sector workers. A lot of it is passed through to private sector employers who repair roads and build buildings. We buy police cars. We do all kinds of things with state money other than pay state workers. The state provides an incredible amount of funding for private sector work out there. I just want to remind people we talked a lot about closing loopholes here. The idea of taxes is that it is shared sacrifice and if we all give a little, we can do a lot for our state. Over the years we have had special interests coming into the legislature and getting away from paying their fair share. They have gotten where they are paying less than their fair share.

Aren't you in trouble with Tom Corbett signing a 'no tax increase' pledge?

Young: He will be in trouble for taking the pledge.

Bloomingtondale: The AFL-CIO has not made an endorsement yet in the governor's race and we will be considering both candidates. We would hope that Attorney General Corbett would think about that. As you learn more about state government, you learn that those kind of simplistic solutions do not work. As a leader, you can't take anything off the table. It hurts your bargaining position. Leadership demands you make hard choices sometimes. If you make a statement like that, you have pretty much taken off half the solution from the table. We would hope Attorney General Corbett would reconsider that position as he goes through the campaign and learns more about what state government does and what it provides.

Jellison: As the focus of the Coalition is on public service and you look at the people we represent not only in state government but the private sector as well as the counties. Any cut in the state budget affects county workers as well. We are asking for tax fairness so that big oil, big tobacco, big corporations are paying their fair share of taxes because our members all pay their fair share of taxes.

Young: We saw a lot of ads from Tom Corbett about his first days in office he is going to present a plan on how to balance this budget and what needs to be cut. My challenge to Tom Corbett is to be specific now about who gets cut, who doesn't and how it impacts every taxpayer.

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