

## Top 10 Reasons to Support SB5 in Ohio

The Ohio Senate recently voted 17-16 to pass SB5 which would remove some collective bargaining for select public sector workers. If the House of Representatives approves SB5, it will move on to Governor Kasich who has shown public support for the bill. Listed below are the top 10 reasons to support SB5 in Ohio:

### 1. Ohio is facing a \$10 billion deficit in 2011.

Ohio is in dramatic need of budget reform. The state has a \$10 billion deficit for 2011.<sup>1</sup> Ohio has shed over 600,000 private sector jobs in the last ten years. Ohio can no longer afford to insulate public servants from the economic reality of lower tax revenues. SB5 is a reasonable request to limit public sector collective bargaining which will help curb government spending to save taxpayers' money.

### 2. Ohio's government workers receive far more pay than their private-sector counterparts.

The median government worker in Ohio makes 24.6 percent more than his or her private-sector counterpart. An estimated 46 percent of government workers will receive a pay increase this year or next.<sup>2</sup> With Ohio losing more than 600,000 private sector jobs in the last 10 years, it is unsustainable for taxpayers to continue paying government workers at these bloated levels.

### 3. Ohio's state and local government employees' pensions are severely underfunded.

A recent study by The Pew Center on the States found that the \$3.35 trillion required to pay all the states' current and retired public sector benefits is underfunded by \$1 trillion. For their part, Ohio is the fifth worst state and Cincinnati is the third worst city, underfunded by \$20 billion and \$4 billion respectfully.<sup>3</sup>

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<sup>1</sup> "State's budget gap may hit \$10B." Columbus Dispatch.

<[http://www.dispatchpolitics.com/live/content/local\\_news/stories/2010/12/25/copy/states-budget-gap-may-hit-10b.html?adsec=politics&sid=101](http://www.dispatchpolitics.com/live/content/local_news/stories/2010/12/25/copy/states-budget-gap-may-hit-10b.html?adsec=politics&sid=101)>

<sup>2</sup> Matthew Marlin, Ph.D., Jonathon Scott, and Kaitlyn Wolf. "The Grand Bargain is Dead." Buckeye Institute.

<[http://www.buckeyeinstitute.org/uploads/files/The%20Grand%20Bargain%20Is%20Dead\(1\).pdf](http://www.buckeyeinstitute.org/uploads/files/The%20Grand%20Bargain%20Is%20Dead(1).pdf)>

<sup>3</sup> "The Trillion Dollar Gap. Underfunded State Retirement Systems and the Road to Reform." The Pew Center on the States.

<[http://downloads.pewcenteronthestates.org/The\\_Trillion\\_Dollar\\_Gap\\_final.pdf](http://downloads.pewcenteronthestates.org/The_Trillion_Dollar_Gap_final.pdf)>



#### **4. Ohio's government workers pay little of their health care and pension costs.**

Government workers in Ohio pay 17 percent of their health care coverage. In the private sector, the average worker pays 23 percent of their health care coverage. Simply requiring that government workers pay 23 percent of their health care costs would save Ohio taxpayers \$43,980,467 annually. In addition, taxpayers pay 14 percent of government employees' pension costs. In the private sector, the average employer contributes 5 percent of a worker's pension costs. Reducing taxpayers' contribution to 5 percent would save them \$291,890, 973 annually. <sup>4</sup>

#### **5. SB5 is a very modest proposal.**

If enacted, public sector unions will still be allowed to exist. Unions would still be allowed to negotiate working conditions and hours but healthcare and sick leave cannot be bargained. SB5 just sets the guidelines on what public sector unions can collective bargain for in Ohio.

#### **6. Public sector collective bargaining is limited or outlawed in 24 states.**

Collective bargaining is regularly used to excessively jack up the salaries and benefits of government workers. This is why only 26 states have public sector collective bargaining laws similar to Ohio. State employees in 12 states have no legal right to collective bargaining. <sup>5</sup>

#### **7. Collective bargaining is inconsistent with the right to freedom of association.**

All Ohio public sector workers are forced to join a union and pay dues whether they wish to or not. Unions certainly do have a right to free speech. However, collective bargaining is inconsistent with the right to freedom of association since some members may disagree with the views of the monopoly union.

#### **8. A clear conflict of interest exists between politicians and public sector unions.**

Collective bargaining in the public sector means that public employee unions negotiate their salaries and benefits with self-interested politicians. It has given politicians the opportunity to reward their campaign contributors. The Center for Responsive Politics reports that five of the top ten contributors to congressional and presidential campaigns in the past twenty years are labor unions. Half of the top twenty political action committees by total expenditures are unions. <sup>6</sup>

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<sup>4</sup> IBID.

<sup>5</sup> Barro, Josh. "Obama playing both sides of collective bargaining issue." San Francisco Examiner. <<http://www.sfoxaminer.com/opinion/op-eds/2011/02/obama-playing-both-sides-collective-bargaining-issue#ixzz1Fv0Dc6Ne>>

<sup>6</sup> Carney, Timothy. "Paul Krugman epitomizes the current liberal divorce from reality." Washington Examiner. <<http://washingtonexaminer.com/blogs/beltway-confidential/2011/02/paul-krugman-epitomizes-current-liberal-divorce-reality#ixzz1Fv0XmpW1>>



## **9. It will limit pay increases to merit-based only.**

SB5 will remove automatic pay increases and introduce a merit-based only system. At a time when Ohioans are struggling to find a job, public servants in secure jobs should at the very least be paid based on how good they are at their jobs.

## **10. Even former President Franklin Delano Roosevelt opposed collective bargaining for public sector workers.**

While FDR was one of our most progressive presidents, he rejected collective bargaining for public sector workers. He wrote a letter to the National Federation of Public Employees that “meticulous attention should be paid to the special relationships and obligations of public servants to the public itself and to the Government. All Government employees should realize that the process of collective bargaining, as usually understood, cannot be translated into the public service.” He further stated that “the very nature and purposes of Government make it impossible for administrative officials to represent fully or bind the employer in mutual discussions with Government employee organizations. The employer is the whole people.”<sup>7</sup>

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<sup>7</sup> Hillyer, Quin. “FDR vs. Wisconsin Teachers.” Washington Times.  
<<http://www.washingtontimes.com/blog/watercooler/2011/feb/18/fdr-vs-wisconsin-teachers/>>

