The loss of public sector jobs has a ripple effect on the economy. One study found that for every five jobs lost in public education, seven are lost in the private sector.

Unfortunately, the federal government and too many states are embracing policies that disinvest in our workforce, in public education and in rebuilding our infrastructure. Meanwhile, the American people are still paying the price for the risky and reckless decisions of big banks and politicians who worked night and day to deregulate the financial industry, chip away at unions, cut taxes for the wealthy, and chop services for children, seniors and families.

We need to follow a different path.

The report “Building a 21st-Century Economy for All: Recommendations on Good Jobs, Fair Funding and Quality Public Services” grew out of the work of the AFT executive council’s ad hoc committee on revenues and retirement security. In developing these recommendations, we drew on the efforts of our partners and allies, proposals included in the American Jobs Act, and ideas from President Obama’s 2012 State of the Union address. We believe it provides a blueprint for how we can invest in jobs, improve efficiency of public services, and fairly pay for the services we need.

Our recommendations include a variety of specific and practical ideas that can contribute to the national effort to create jobs. Rebuilding our nation’s crumbling roads, bridges, water system and power grid is a good place to begin. Likewise, too many of our schools are in disrepair and plagued by poor ventilation, mold, bad acoustics or structural defects. Rebuilding our infrastructure and modernizing our schools—including the creation of energy-efficient “green” schools—not only will keep our citizens and our children safe and healthy, but also will create thousands of much-needed jobs in the building and construction trades.

We also need to work to preserve public sector jobs. Since the start of the recession, more than 600,000 jobs have been lost in the public sector. The loss of these jobs has a ripple effect on the economy. In Texas, for example, one study found that for every five jobs lost in public education, seven are lost in the private sector.

While creating good jobs is essential to getting our economy back on track, it is not the only factor. We also have to make sure states are collecting all the revenue they are owed. Every year, states fail to collect billions of dollars because of tax evasion and inefficient collection systems. These “tax gaps” amount to billions of dollars in lost revenue.

We will not be able to put our budgets in order until Americans are back at work, but we need to fund the public investments that can achieve that goal.

Simply put, we have to find better ways to fund the essential public services our citizens depend on. Our committee recommended a variety of changes in the tax system that stress shared responsibility. Our richest citizens should assume a larger share of the tax burden. Capital gains should be taxed at the same rate as ordinary income. We should end tax breaks for companies that outsource jobs overseas, and close loopholes that allow profitable companies to avoid paying any state taxes at all.

“Building a 21st-Century Economy for All: Recommendations on Good Jobs, Fair Funding and Quality Public Services” is not intended to be the last word on addressing America’s challenges, but rather an important part of the discussion. I urge you to read it in preparation for the AFT convention in Detroit this summer, where we will consider a resolution calling for action on these ideas. It is an important piece of our quality agenda that unites those we represent with those we serve.

As the report concludes, our failure to address the crisis in jobs and to build for the long term will scar our economy and society for a generation. To those who say we cannot afford to invest, we say we cannot afford not to.
THE AFFORDABLE CARE ACT has made headlines ever since President Obama signed the law in 2010. The act brings significant changes to the healthcare landscape—some are in effect now, while others will be phased in over the next several years. Probably most important, the law seeks to increase the number of people with health insurance, make coverage more affordable, establish health insurance marketplaces and protect consumers from insurance industry abuses.

These changes also are expected to improve the nation’s economic health. The United States now spends a larger percentage of its gross domestic product on healthcare compared with many other peer countries, according to the Organization for Economic Cooperation and Development. The act contains a number of provisions designed to get these high healthcare costs under control, relieving some of the financial strain on communities and families. Reining in healthcare costs will also allow employers to invest in staff, infrastructure and other much-needed improvements, instead of scrambling to keep up with rising insurance premiums.

Several of the act’s consumer protections are already in place. For example, young people are allowed to stay on their parents’ health insurance until age 26; lifetime limits on the dollar value of essential health benefits have been eliminated; and insurance companies are not allowed to deny children coverage due to pre-existing conditions.

An ounce of prevention ...

Many Americans are benefiting from the act’s emphasis on prevention, particularly the new no-cost preventive services. The services are available to people in non-grandfathered insurance plans (grandfathered plans are those that existed before March 23, 2010, and have not since reduced benefits, significantly increased cost sharing or significantly lowered the employer’s contribution to the premium) or in plans that have been issued or changed in certain ways since September 2010.

Preventive care now available to many adults without a copay, coinsurance or deductible includes colonoscopies, cholesterol screening, mammograms and blood pressure screening. Starting this August, additional women’s preventive services will be covered without cost sharing.

The law also holds insurance companies accountable for how they use their premium dollars. The companies are required to spend 85 percent of fully insured large-group plan premiums on medical care and quality improvement, or else pay rebates to consumers.

There’s more to come

Other consumer protections are on the horizon. Beginning in 2014, no one will be denied insurance coverage due to a pre-existing condition, and annual dollar limits on essential health benefits will be abolished.

The arrival of healthcare exchanges in 2014 will usher in a new era of healthcare purchasing. Exchanges are marketplaces where people can shop for health insurance. Exchanges will initially sell insurance only to individuals and businesses with fewer than 100 employees, although states may choose to allow large employers to insure their employees through the exchanges starting in 2017. Many low- and moderate-income individuals purchasing insurance through the exchanges will receive subsidies, or “premium tax credits,” to help them pay for coverage. In general, subsidies are not available to people with access to employer-sponsored insurance unless the employee’s share of the self-only premium is greater than 9.5 percent of the employee’s income. Large employers that do not offer insurance or that have employees receiving subsidies in the exchange will pay a penalty.

The advent of exchanges is significant even for those with employer-sponsored coverage. State exchanges could use their bargaining power to offer high-quality plans at low cost, which could help control the price of insurance outside the exchanges.

The availability of subsidies in the exchanges is expected to help reduce the number of uninsured Americans, as will the 2014 requirement that most people have health insurance or else pay a penalty that starts at $95. The government explains that this requirement, called the “individual mandate,” will “help offset the costs of caring for uninsured Americans.”

In addition to providing consumer protections and reducing the ranks of the uninsured, the act envisions changes in healthcare delivery. It encourages a shift away from the fee-for-service model in which providers are paid for every test and procedure, whether the patient needs them or not. Instead, the Affordable Care Act rewards high-quality efficient care that puts the patient’s needs—not the bottom line—at the center of healthcare decision-making.

The U.S. Supreme Court is currently deliberating on the constitutionality of some of the key provisions of the Affordable Care Act, most notably the “individual mandate.” A ruling is expected later this year.
Deep-pocketed individuals and groups want to gut public services, privatize your job, cut your retirement—and other things that offend civic sensibilities

**IN THE MIDST** of Gov. Scott Walker’s heist of public employee rights in Wisconsin last year, news broke that he had been the victim of a prank phone call. The caller, a journalist, posed as billionaire David Koch. Walker sounded almost giddy during the conversation with the person he thought was the executive vice president of the Wichita, Kan.-based Koch Industries, the second-largest privately held company in the United States, with more than $100 billion in sales, according to Forbes magazine.

During the 20-minute phone call, Walker dominated the conversation, telling the Koch imposter things from “I’ve got layoff notices ready” to “We’re not compromising” to “This is ground zero” in the assault against public employees and their unions.

He also disclosed that he was talking daily with Ohio Gov. John Kasich, who also was in the process of undermining public employee union rights, pensions and health-care. “John’s gotta stand firm in Ohio,” Walker said. “I think we could do the same thing with [Gov.] Rick Scott in Florida. I think [Gov. Rick] Snyder—if he got a little more support—probably could do that in Michigan.”

The conversation ended with Walker thanking Koch “for all the support and helping us move the cause forward.”

The prank would have been funny if it weren’t so emblematic of what’s happening: Deep-pocketed individuals and corporations are donating obscene amounts of money to think tanks and politicians in pursuit of monopolizing public discourse and enacting public policies that will reshape the United States in their likeness.

**Front-row seat**

Barbara Toles, a member of AFT-Wisconsin’s local at Milwaukee Area Technical College, has had a front-row seat as Walker and the Republican-controlled Legislature have pursued an agenda straight out of what Toles calls a “national playbook.” Toles is a state legislator, representing a district in Milwaukee.

In Wisconsin, the playbook has included eliminating public employees’ collective bargaining rights, privatizing the Commerce Department, repealing the state law on equal pay for women, enacting tax breaks for corporations in spite of the need for revenue, and enacting a so-called voter identification law that makes it difficult, if not impossible, for certain people to vote—namely college students, minorities and seniors.

Toles says she understands how the public can be hoodwinked. “These people have taught me that you can put a spin on anything,” says Toles, a Democrat, of her Republican colleagues. “If enough people tell the same lie over and over, it becomes the truth.”

The spin, she says, isn’t limited to hearings and debates in the Statehouse. When people hear conflicting media reports, “you really don’t know who is telling the truth,” she says.

Toles’ observation of Wisconsin has applied in states and localities across the nation. Jill Cohenour, a former Montana state legislator and a member of the AFT Public Employees program and policy council, says there are more outside groups working to influence policy and election outcomes in her state now than there were a few years ago. If more Montanans were aware of these groups and what they stand for, she thinks, voters would be more likely to oppose the policies—and their candidates.

**Now playing in your state**

An entire ideas industry is peddling that playbook Toles referred to. The following is a sampling of organizations and people promoting public policies that would fundamentally change our democracy as well as the availability of public services and the revenue to fund them.

The American Legislative Exchange Council advertises as “a nonpartisan membership association for conservative state lawmakers who … [share] a common belief in limited government, free markets, federalism and individual liberty.”

Critics say ALEC is effective—ly a corporate-funded legislation mill that is disguised as a membership organization, requiring nominal dues by lawmakers.

ALEC’s repertoire includes legislation to privatize public services from prisons to education, overhaul public employee pensions, deregulate industry and consumer protections, and cap government spending. ALEC boasts on its website that “each year, close to 1,000 bills, based at least in part on ALEC Model Legislation, are introduced in the states. Of these, an average of 20 percent become law.”

Thanks to the efforts of organized labor and other progressive groups, ALEC has gotten a lot of negative publicity this year for pushing voter ID/voter suppression and Stand Your Ground/“kill at will” laws. As a result, corporate sponsors, including Blue Cross Blue Shield, Coca-Cola, Kraft Foods Inc., McDonalds and the Bill & Melinda Gates Foundation, were fleeing ALEC one after another this spring.

In April, Common Cause, a nonprofit open-government advocacy group based in Washington, D.C., filed a complaint with the Internal Revenue Service charging that ALEC, as a 501(c)(3) organization, is violating the terms of its tax-exempt status, which carries lobbying limits.

“ALEC has told the IRS that it does not spend a penny on lobbying,” Common Cause president Bob Edgar said in a statement, noting that ALEC’s bylaws “declare that its purpose is to ‘[d]isseminate model legislation and promote the introduction of companion bills in Congress and state legislatures’ and ‘[f]ormulate legislative action programs.’ Reduced to its essence, that’s lobbying.”
A study by In the Public Interest found that, of the 68 large corporations cited for tax dodging in Citizens for Tax Justice’s “Corporate Tax Dodging in the Fifty States, 2008-2010,” 33 have a history of supporting ALEC.

In the Public Interest’s conclusion: Companies with connections to ALEC made “a choice during the worst state fiscal crisis in history to pay money to a right wing group dedicated to defunding public services rather than paying their fair share to support schools and other services.”

**Americans for Tax Reform** and its leader, Grover Norquist, are the anti-tax crusaders. Years ago, Norquist described his end game: “I don’t want to abolish government. I simply want to reduce it to the size where I can drag it into the bathroom and drown it in the bathtub.”

Norquist has taken the long view for accomplishing this goal: Norquist has been at the helm of ATR since it was founded in 1985. He has said he hopes to “drown [government] in the bathtub” by 2025.

Unlike ALEC, which is much more coy about its network, ATR is very public about its ambitions and its foot soldiers, boldly advertising (and naming names of) the elected officials who have signed its so-called Taxpayer Protection Pledge, a promise not to raise taxes. The count: 238 members of the U.S. House of Representatives, 41 members of the U.S. Senate, 13 governors and 1,259 state legislators out of about 7,300.


Over the decades, Norquist’s preferred budget alternatives to taxes have included: outsourcing public employee jobs to the private sector; eliminating defined-benefit pension systems for public employees; moving state employees to health savings accounts as the vehicle for their health insurance; freezing state hiring and consolidating state agencies; and privatizing Social Security.

“Special projects” of the ATR include the Alliance for Worker Freedom, which pushes “right-to-work” laws and pension reform, among other things, and the Cost of Government Center, which focuses on the “full cost imposed by spending and government regulation.”

Americans for Tax Reform proudly displays accolades from prominent conservatives on its website, including this one from Sen. McConnell: “It’s because of soldiers like Grover that the conservative movement is so vibrant today and that the liberals who thought they had taken over two years ago are on the run.”

**FreedomWorks** is an organization largely credited with mobilizing the “taxed enough already” or Tea Party.

**Former Rep. Dick Armey** (R-Texas) has been chair of FreedomWorks since he left Congress in 2003. (Armey’s AFT voting record over the course of his 18 years as a Texas congressman was zero percent—meaning he voted in opposition to the AFT position 100 percent of the time.) Armey is co-author of *Give Us Liberty: A Tea Party Manifesto.*


**The Koch brothers** are libertarians—believers in drastically lower government and free markets. With money like theirs, they can afford to be for “limited government.” Each has a net worth of $25 billion, according to *Forbes.*

Their business, Koch Industries, is primarily in petroleum, fertilizer and ranching. But they also are makers of household products you’ve likely heard of, including Brawny paper towels, Quilted Northern toilet paper and Dixie cups.

The Koch brothers have connections to countless conservative groups, including Americans for Prosperity, Americans for Prosperity Foundation, the Cato Institute, the Mackinac Center for Public Policy—and the American Legislative Exchange Council.

The brothers, whose efforts to shape the public policy debate had largely remained in the shadows until that prank phone call last year, have gotten so much bad press that they have a website devoted to spinning what is said about them and their policy meddling.

KochFacts.com makes such fine distinctions as claiming that the brothers don’t “fund the Tea Parties” but admitting that they “are involved with and support an organization, which in turn has involvement with some Tea Party members.” (The Center for Media and Democracy’s SourceWatch.org has described Americans for Prosperity as a principal organizer of Tea Party events.)

While the brothers’ organizational associations are telling of their attitudes, Charles’ namesake institute sets the record straight. The Charles Koch Institute’s Economic Freedom Project ([www.economicfreedom.org](http://www.economicfreedom.org)) features a library of videos on today’s hot topics, including a two-parter on public employee pensions: “Public Pension Crisis: The Problem,” and “Public Pension Crisis: The Solution.”

In an August 2010 article in *The New Yorker,* author Jane Mayer summed up the brothers this way: “The Kochs are longtime libertarians who believe in drastically lower personal and corporate taxes, minimal social services for the needy, and much less oversight of industry—especially environmental regulation.”

“It really is the 99 percent and the 1 percent,” says Cohenour, adding that unions and other groups and individuals that support

“We all have a civic responsibility to make sure our communities are safe, our children are educated and we have public structures available for people who need them.”

—JILL COHENOUR, AFT Public Employees program and policy council
Hereford was told. “Industry is pushing it as a low-impact bill, ” by industry looking for support for the bill. Visited mentioned they had been contacted through, says staff in every Senate office they visited.

A bill would have exempted IT workers from overtime pay. “Our nurses need roller skates as it is,” Auke Bay Elementary School nurse LuAnn Powers says. The loss of two school nurses still poses a challenge, but Powers and her colleagues are committed to working together to ensure students get the best care possible. “We will make it work,” Powers says. “We have to.”

With the help of their union, the Alaska Public Employees Association, and community support, school nurses working for the 5,000-student Juneau school district derailed a plan to eliminate six of 10 school nurse positions.

In April, the school board scaled back its plan, deciding to cut only two school nurse positions instead of six.

“The original CFT initiative would have increased tax rates on personal incomes in excess of $1 million to provide an estimated $6 billion annually to finance public services. The governor had been pitching a ballot proposal to increase the sales tax by one-half cent per dollar and raise the income tax rate on those with personal incomes over $250,000, to achieve a comparable revenue increase.

The compromise would temporarily increase the sales tax by one-quarter cent per dollar and institute a three-tier income tax hike for joint filers with incomes over $500,000, $600,000 and $1 million respectively.

A CFT-sponsored poll last year showed what national polls have indicated since the start of the Occupy Wall Street movement: Californians overwhelmingly support taxing the wealthy over cuts to public services.

AFT member Teri Mills joined other members of the National Nursing Network Organization to lobby Congress this spring to support the National Nurse Act of 2011 (H.R. 3679), introduced by U.S. Reps. Eddie Bernice Johnson (D-Texas) and Peter King (R-N.Y.).

The bill, which has 36 co-sponsors, would create a “national nurse” position for public health to complement the work of the U.S. surgeon general.

Mills, a nurse educator at Portland Community College and president of the National Nursing Network Organization, is hopeful the bill will pass this year. If not, there is little doubt that Mills and many other network members will be back in Washington for more lobbying.

“AFT members don’t quit,” says Mills. “We know that a lot of nurses share the vision of having a healthy America, and we are not giving up on that vision.”

Unions derail corporate attack on Fair Labor Standards Act

Bill would have exempted IT workers from overtime pay

Less than a month after the AFL-CIO’s Department for Professional Employees mobilized the AFT and other affiliated unions to lobby against the so-called Computer Professionals Update Act, the DPE announced that the measure was officially stalled.

In late March, unionized information technology professionals took their concerns with the CPU Act to the Senate. Their message was backed up by an analysis conducted by the nonpartisan Congressional Research Service: The CPU Act “effectively eliminates overtime pay for all IT professionals.”

Carl Hereford, a technology infrastructure manager for Alaska’s Matanuska-Susitna Borough, says staff in every Senate office they visited mentioned they had been contacted by industry looking for support for the bill. “Industry is pushing it as a low-impact bill,” Hereford was told.

IBM is one industry leader behind the measure. In 2006, IBM paid $65 million to settle a class-action lawsuit stemming from the company’s failure to pay technical-services professionals and information technology specialists overtime under the Fair Labor Standards Act. Two years later, IBM reclassified more than 7,000 technical-support workers as overtime-eligible but, at the same time, cut their base pay by 15 percent.

Before the CPU Act was introduced, IBM was lobbying Congress to “modernize” the FLSA to exempt more computer-related jobs from overtime. In testimony before the Workforce Protections Subcommittee of the House Education and the Workforce Committee, IBM’s senior vice president of human resources, Randy MacDonald, called the FLSA “a job killer,” and he asserted that “many workers desire ’exempt’ status, a sign to them that they are recognized as skilled professionals.”
AS THE ELECTION landscape unfolds, the choice we face in November becomes clearer: Re-elect President Obama, who has focused on rebuilding the middle class and fighting for economic fairness and opportunity for all Americans, or elect a candidate who is out of touch with the concerns of working families.

The vast differences between the presidential candidates, their proposals and their track records on jobs, the economy, healthcare, retirement and education speak for themselves.

“I believe that this country succeeds when everyone gets a fair shot, when everyone does their fair share, when everyone plays by the same rules.”
—President Barack Obama

“THERE ARE NO SHORTCUTS TO ECONOMIC SECURITY”
Nowhere are the candidates’ differences more evident than in their budget proposals. Despite inheriting the worst economic downturn since the Great Depression, President Obama’s proposals underscore his track record of fighting for the middle class.

The president:
- Championed and signed into law the American Recovery and Reinvestment Act, which saved or created approximately 300,000 education and public service jobs.
- Worked with labor and management to provide critical rescue loans to save the U.S. auto industry and 1.4 million jobs. Since then, the U.S. auto industry has created more than 160,000 jobs.
- Fought for economic fairness via the Lilly Ledbetter Fair Pay Act.
- Is fighting for the American Jobs Act, which would prevent layoffs of educators, police officers and firefighters; provide resources to modernize infrastructure; and provide funding to community colleges and job training programs.
- Meanwhile, the leading Republican presidential candidate, Mitt Romney, is supporting out-of-touch policies that hurt working families. He criticized the bold steps taken to save the auto industry. “Let Detroit go bankrupt,” he wrote in an op-ed in the New York Times. In another op-ed he wrote for the Detroit News, Romney called the auto bailout “crony capitalism on a grand scale.”
- Romney also supports the Republican congressional budget (also called the Ryan budget), which calls for dramatic cuts to programs that provide security and economic opportunity for all Americans. The budget Romney supports would slash so-called discretionary spending. These cuts disproportionately affect women, children and older Americans. While cutting aid to people who need it most, the budget would provide millionaires with an average tax cut of $150,000.

As President Obama has said, “In this country, broad-based prosperity has never trickled down from the success of a wealthy few. It has always come from the success of a strong and growing middle class.”

HEALTHCARE AND RETIREMENT
President Obama has long understood the link between access to high-quality healthcare and economic security for all Americans, which is why he championed and signed into law the Affordable Care Act. Through this healthcare reform legislation, 33 million more people have access to affordable health insurance. Children can stay on their parents’ health insurance until age 26, and, when the law is fully implemented, insurance companies will not be able to cancel coverage when a person is ill or has a pre-existing condition.

Conversely, the Republican budget would turn back the clock and:
- Reopen the prescription drug doughnut hole, which would result in Medicare beneficiaries paying nearly $11,400 more on needed medication.
- Harm the most vulnerable Americans through devastating cuts to Medicaid.
- When you listen to what the candidates are saying, it becomes clear which one will be fighting for us in the Oval Office.

Interested in what the candidates have to say? Visit the new “In Their Own Words” page at www.aft.org/election2012 to keep track.
AFT member among group that met with lawmakers, administration officials

LEADING UP TO Workers Memorial Day April 28, workplace health and safety advocates spent a day in Washington, D.C., meeting with members of Congress and Obama administration officials to press for regulatory action and stronger enforcement of job safety laws.

The AFT’s Judy Rychcik, a member of the New York State Public Employees Federation, was among the group of more than a dozen gathered by the AFL-CIO to put a human face on the consequences of inadequate regulation and enforcement. Rychcik, a registered nurse, suffered a career-ending injury in March 2011 when she was assaulted by a patient at New York state’s Capital District Psychiatric Center in Albany.

The April 19 activities started with a Capitol Hill press event with Rep. Lynn Woolsey (D-Calif.), ranking member of the House of Representatives Subcommittee on Workforce Protections. The news conference was followed by a Senate Health, Education, Labor and Pensions Committee hearing, and a meeting with officials from the White House Office of Management and Budget and the Department of Labor.

“We’re here for a political reason, but I can’t sit here and not feel everyone’s grief,” Rychcik said to her fellow advocates—some, victims like her, and others, family members and co-workers of people killed on the job. “We are all here together.”

During the past 30 years, the Occupational Safety and Health Administration has taken more than seven years, on average, to develop and issue safety and health standards, with some standards taking as long as 19 years, according to a Government Accountability Office report, “Workplace Safety and Health: Multiple Challenges Lengthen OSHA’s Standard Setting.”

Many health and safety advocates note that business groups exploit the process to stall regulations, if not to derail them altogether.

“There is no reason that a person should go to work and not come home whole,” says Judy Rychcik, right, with Rep. Lynn Woolsey (D-Calif.).

AFT Workers Memorial Day Award goes to Connecticut local

EVERY YEAR, the AFT recognizes affiliates with the Workers Memorial Day Award for their efforts to protect members and students from occupational and environmental hazards. This year, that award went to Connecticut’s State Vocational Federation of Teachers.

The SVFT and its leadership understand that finding solutions to eliminating hazards and dangerous exposures in schools takes time and commitment. In addition to tackling occupational health and safety issues through a statewide health and safety committee, the SVFT has emphasized preparedness. It stresses that members not only should understand their rights under the state’s Occupational Safety and Health Act but also should be trained in first aid, CPR and how to use an automated external defibrillator.