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## Labor voices: Speaker's plan doesn't add up

### Savings estimate reached by gutting care benefits; state workers already have sacrificed enough

Iris Salters

Furloughs. Benefit cuts. Salary freezes. Layoffs. Michigan's public employees -- firefighters, teachers, city workers, police and beyond -- have sacrificed for years to help the state through its tough budget times.

But that apparently isn't enough for Michigan House Speaker Andy Dillon, whose proposed statewide public employee health plan is simply a scheme to drain even more out of Michigan's half million public workers and their families.

Dillon's numbers don't add up. He promises \$900 million in savings by putting all public employees into a single plan, claiming the larger pool would produce savings.

But a study by the National Association of State Personnel Executives showed that once you have a pool of 20,000 people, adding more doesn't save any more money.

To produce the kind of savings Dillon talks about, Michigan's public employees would see their health care gutted -- in some cases almost cut in half. That's 400,000 employees and their families who would bear even more of the state's budget woes than they already have.

Public workers everywhere -- from the Capitol to the schoolhouse to the fire station -- have taken deep cuts already.

Looking only at school employees as an example, during the past three years we've saved the state more than \$700 million by accepting lower cost health coverage or by paying more out of pocket. The majority of school employees help pay for their insurance and most are in a preferred provider organization or other cost-saving plan.

Beyond health care, school employees have accepted more than \$200 million in salary and wage concessions since 2006. All told, that's almost a billion dollars in savings from public school employees alone.

Other public employees will tell you similar tales of cuts and sacrifice. And yet, we are in yet another state budget crisis. It has become obvious that trying to balance the budget on the backs of Michigan's public workers isn't working.

Rather than Dillon's health insurance scheme, we need real solutions and true leadership to turn this state around. There are no easy answers, but there are ways to fix the budget that make far more sense.

For starters, we need to close tax loopholes that don't help our economy. There are at least \$400 million in loophole closures that the House or the Senate has passed in the past few years, but the two sides can't agree to finish the legislation and end these inefficient tax breaks. That should be job one.

Beyond that, there are millions more dollars in other tax incentives that are designed to bring jobs to Michigan -- and many aren't working. Let's evaluate the effectiveness of our tax incentives, stop giving away tax breaks that don't create jobs and invest wisely in Michigan's economic future.

Finally, we should allow the federal government to finish its work on health care reform. The cost of health care is a national problem in need of a national solution. We are on the verge of Washington taking action to control costs and expand health care access for all Americans. Dillon's plan does neither.

In fact, it's difficult to tell whether the speaker has a plan at all -- or just a political headline grab. No bill has been written, which prevents a complete analysis from being done. No proof of savings has been offered. No honest discussions have taken place with the very people most affected.

It's easy to propose massively cutting someone else's benefits -- but the people of Michigan should not be fooled by unsubstantiated claims and stunts.

Dillon's plan does not add up.

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