

How the 2010 Election Changed Everything



And What We Can Do About It

From the Governor

*"You are not going to hear me degrade state and local employees in the public sector," Walker said. "But we can no longer live in a society where the **public employees are the haves** and taxpayers who foot the bills are the have-nots."**

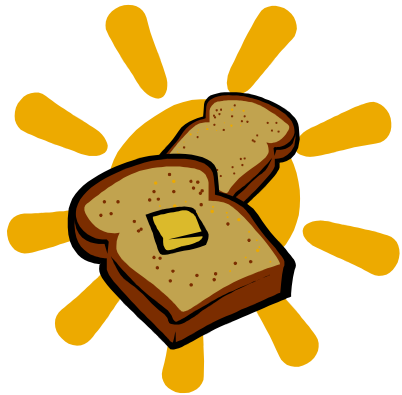
*Milwaukee Journal Sentinel, December 7, 2010

What They Said They Will Do



- Statements made during and after the campaign
- Bills introduced previously by the now current majority
- The State of the State address 2/1/11
- Nothing is certain but it's time to begin preparing

Two Related Concerns



1. Our economic security



2. Our professions and our schools

WRS Pension Contribution

- Walker says public employees should pay most of their share of the WRS pension contribution*
- Bills in the State Legislature introduced by now current majority members make similar proposals**
- For Cudahy the current contribution is 6.5% of salary

*State of the State address. **Assembly Bill 337, 2009.

WRS Contribution Impact

Maximum Cudahy Teacher Salary = **\$77,331**

Cost of paying 6.5% contribution = **\$5,027**

Cost of paying 5% contribution = \$3,867

Minimum Cudahy Teacher Salary = \$34,331

Cost of paying 6.5% contribution = **\$2,232**

Cost of paying 5% contribution = \$1,717

Cudahy Secretarial Pay Range = @\$25,500 to @\$37,200

Cost of paying 6.5% contribution = **@\$1,650 to @\$2,420**

Cost of paying 5% contribution = @\$1,270 to @\$1,860

Cudahy Paraprofessional Pay Range (full-time) = @\$16,000 to @\$18,200

Cost of paying 6.5% contribution = **@\$1,040 to @\$1,185**

Cost of paying 5% contribution = @\$800 to @\$910

Cost of Health Insurance

- During the campaign Walker lamented the “complete unbalance” between public and private sector employees and suggested everyone should pay 15% of the premium share. In the State of the State speech that percent was given as 12%.*

*Appleton Post-Crescent, November 25, 2009

Premium Share Impact

- Current Cudahy Premium Share = 5% = \$1,227(F) and \$407(S)
- A 12% Cudahy Premium Share = \$2,945(F) and \$977(S)
- Increase to Cudahy member = **\$1,718(F) and \$570(S)**

WRS Pension Eligibility

- According to area superintendents, the governor and legislature are seriously considering raising the retirement age for benefit eligibility to either **59^{1/2}** or **62**
- This would mean a significant cut in the lifetime WRS pension benefit

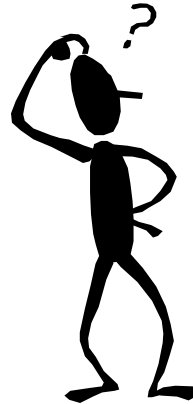
Reimposing the QEO – But Worse

- *“The Qualified Economic Offer (QEO), which helped hold down local school costs for more than 15 years, will be restored and **tied to revenue caps** to align each district’s expenses with their revenues.” **
- This limit on school employee compensation would apply to **everyone**, not just teachers.**

“The Walker Plan: To Make Wisconsin’s Education System World Class,” www.scottwalker.org.

**Appleton Post Crescent, Nov 25, 2009.

The QE...What????



- For sixteen years school districts could impose a 3.8% “total package” increase on teachers in bargaining
- The 3.8% covers all compensation and was not a real number, but a legal fiction.
- Revenue caps have generally increased by @ 2% - more than 40% less than the old QEO - but could increase 0% next year. One Council #10 superintendent has been told that it might even be a decrease.

How Does it Play in Cudahy?

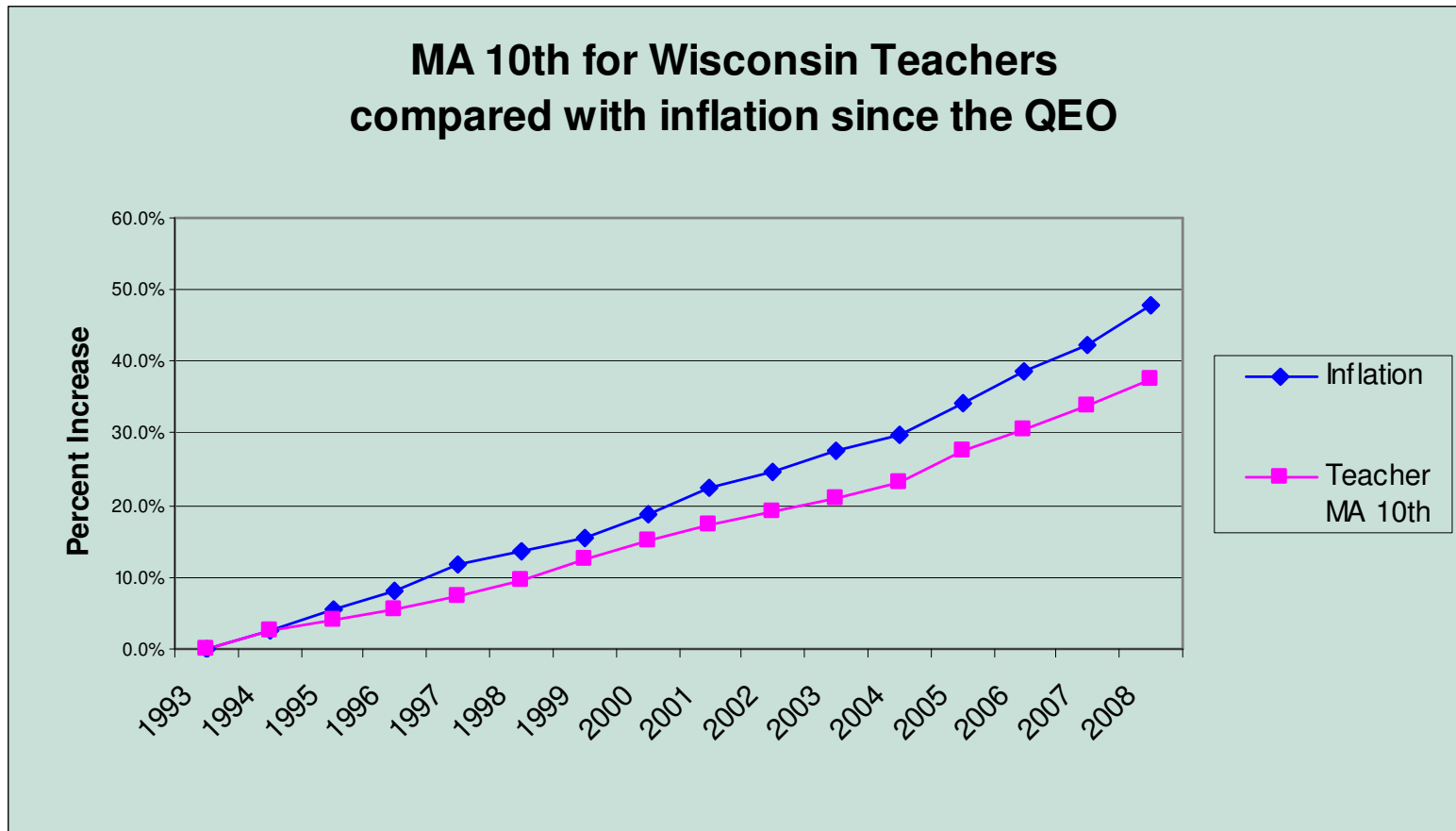
- If a 0% package were imposed for the 2011-2013 bargaining cycle, the entire cost of health, dental, LTD, and life insurance increases, the entire cost of projected WRS increases, the entire cost of any step and lane movement would be deducted from your current salary schedule each year of the new contract. Expect significant pay decreases both years.
- Bargaining committee members would be very unpopular, but it's not your bargaining committee's fault!

Under the *Old* QEO and Revenue Caps

- Teacher pay in Wisconsin dropped from 15th to 21st in the nation
- Teacher pay dropped from 104% of the national average to 94% of the national average
- Wisconsin teachers now have the lowest starting pay in the Midwest

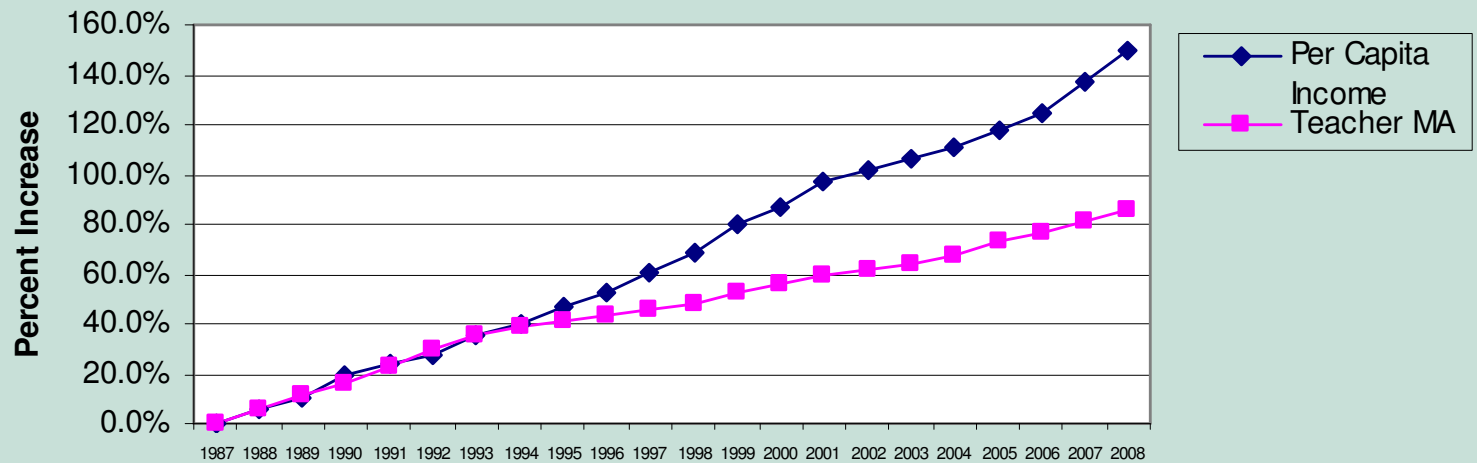


Teacher Pay vs. Inflation



Teacher Pay vs. Per Capita Income Growth

MA 10th for Wisconsin Teachers compared with Wisconsin's per capita income 1987-2008



Other Bargaining Limits



- Ban bargaining of early retirement benefits (Iowa)
- Bar the consideration of Fund 10 balance (Cudahy, \$8,143,097, or 27.9% of the budget)
- Make health insurance a “permissive” subject of bargaining
- Change interest arbitration rules unfavorably
- Make Wisconsin a Right to Work State; repeal 111.70

Is This Justified?



- Dr. Keith Bender and Dr. John Heywood of University Wisconsin-Milwaukee systematically studied state and local workers compensation compared with private sector workers*
- They compared workers with similar jobs and similar levels of education
- State workers are paid 11% less and local workers are paid 12% less than their private sector counterparts
- Taking benefits into account, state workers are compensated 6.8% less and local workers make 7.4% less than private sector workers

*"Out of Balance?: Comparing Public and Private Sector Compensation over 20 Years," National Institute on Retirement Security, April 2010.

Teachers are Not Overpaid

- 25% of Wisconsin's population has a BA (100% of teachers)
- 9% of Wisconsin's population has a professional degree (60% of teachers)
- Education Week found that Wisconsin teachers earn \$10,000 less than other workers in the state with college degrees*
- Wisconsin teachers with a master's degree earned \$17,250 less than other Wisconsin workers with the same degree*



*Education Week, Quality Counts 2000.

Will This Create Jobs?



- The economy went into a bad recession because \$11.7 trillion in wealth (spending power) was lost due to the housing bubble and stock market collapse
- Corporate profits and banker bonuses are already back to pre recession levels
- Banks have over \$1 trillion in cash reserves but are not lending to small and medium sized businesses
- According to the Financial Times, S&P 500 corporations are sitting on \$1.84 trillion in cash reserves
- Cutting public sector pay and jobs will reduce demand and hurt the economy

State Budget Picture



- The next state budget starts with a \$3.3 billion “hole”
- Walker is committed to NO increases in revenue, unless you count the new 5% (or up to 6.5%) tax on teachers and other public employees, and NO shifting money from established funds, unless a reduction in school aids counts
- Walker also proposed eliminating the capital gains tax, lowering the top tax bracket and eliminating the corporate income tax

School Funding Cuts



“Grothman said school spending will be one of the first items in his **crosshairs**, noting schools use 44 percent of all sales and income taxes.”

Sheboygan Press: November 9, 2010

Funding is Already in Crisis

Because of Wisconsin's school-funding system:

- 64% laid off teachers (62%)
- 75% increased class sizes (74%)
- 57% reduced academic courses (54%)
- 67% increased student fees (67%)
- 56% reduced extra-curriculars (54%)
- 58% decreased programs in arts (55%)
- 63% reduced gifted programs (60%)
- 59% reduced at risk programs (59%)
- 55% reduced counseling (54%)
- **27% consider dissolution/consolidation**



Federal Supports are Gone

- For 2009-2010 Cudahy received \$949,456 in Recovery Act money
- For 2010-2012 Cudahy received another \$471,766 in Education Jobs Fund money
- With the new House majority no new money will be forthcoming



Cudahy Revenue Cap Scenarios

(Student count at 2,537)

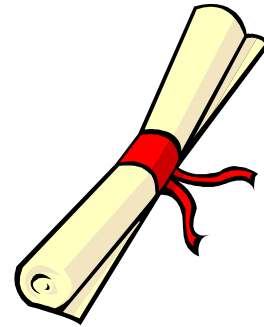
| Cap Increase | 2010-2011 Revenue | 2011-2012 Revenue | Dollar Change | Percent Change |
|-------------------------------|-------------------|-------------------|---------------|----------------|
| \$275 (traditional) | \$27,225,948 | \$27,923,623 | \$697,675 | 2.56% |
| \$200 (this year) | \$27,225,948 | \$27,733,348 | \$507,400 | 1.86% |
| \$100 | \$27,225,948 | \$27,479,648 | \$253,700 | 0.93% |
| \$50 | \$27,225,948 | \$27,352,798 | \$126,850 | 0.47% |
| -\$100 | \$27,225,948 | \$26,972,248 | -\$253,700 | -0.93% |

Cuts to Education Hurts Jobs and the Economy



- Like highways, water systems and courts of law, public schools are critical public structures that our economy depends on
- Not funding schools properly and continuing the attack on teachers undermines the best engine we have to promote the middle class and help the economy grow

Education promotes human capital



Educational attainment is highly correlated with earnings. Those with a two-year associate degree earn **1.6 times** the amount of a high school dropout, and those with a master's degree earn **2.5 times** (*Occupational Outlook Quarterly*, Fall 2002).

Investment in Education Pays Off



The combination of increased tax earnings and lower levels of social dependency means that the state recoups its educational investments within a 10-year period, followed by a lifetime of on-going benefits (RAND, 1999).

Businesses are attracted to quality systems of education

- An educated labor force was the second most important factor in business location decisions only behind lease rates (Ernst & Young Almanac to U.S. Business Cities, 1994).
- 72% of business leaders reported that workforce quality was the most significant factor in choosing where to locate (Brookings Institute, 2000)



Education Reform Plans

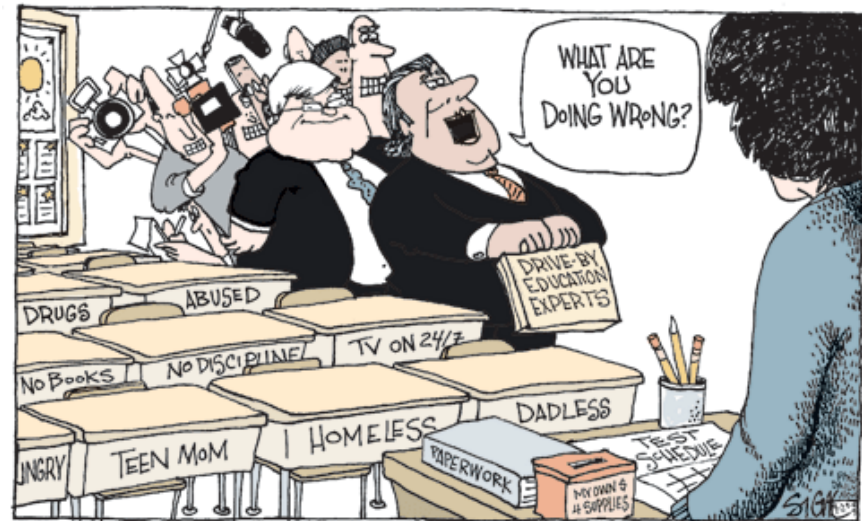
- Teacher evaluations based on 5 criteria*
 - Planning and Preparation
 - Classroom environment
 - Quality of instruction
 - Professional responsibilities
 - Yearly student progress
- Rated as
 - Exemplary – Bonus
 - Satisfactory – Bonus
 - Needs Improvement
 - **Ineffective – Lose teaching license after 2nd year**
- Give Non-licensed folks more access
- Expand charter and voucher schools

* “The Walker Plan: To Make Wisconsin’s Education System World Class,” www.scottwalker.org.

Will This Improve Teaching?

- Linking teacher evaluation and pay to student test scores is simply invalid and is rejected by many scientific bodies including the National Research Council of the National Academy of Sciences*
- Systematic research shows that merit pay does not improve teaching – Vanderbilt Study

*“Adopting an invalid teacher evaluation system and tying it to rewards and sanctions is likely to lead to inaccurate personnel decisions and to demoralize teachers...Legislatures should not mandate a test-based approach to teacher evaluation that is unproven and likely to harm not only teachers, but also the children they instruct.”**



**Problems with the Use of Student Test Scores to Evaluate Teachers,” EPI Briefing Paper, August 2010

Charter and Voucher Schools

- Nationally, only 1 in 5 charter schools perform better than comparable public schools – 2 in 5 perform worse*
- Private school teachers make on average \$13,300 less per year than public school teachers**
- Teacher turnover at private schools is nearly double the rates at public schools***

*Stanford economist, Margaret Raymond, CREDO study, NY Review of Books, Nov, 2010; **National Center for Education Statistics, 2007-2008 school year, www.nces.ed.gov; ***National Center for Education Statistics, 1995, www.nces.ed.gov.

Looking into the Future

If that diploma loses its value:



- Quality of the state's workforce will decline
- Business will leave the state
- The state's tax base will erode
- Wisconsin's communities begin to dry up
- Quality of life diminishes

It's Not Hopeless!



- We are 98,000 educators and our families
- We can come together as a powerful voice for schools and children
- We can reach out to our parents and communities

What's the Plan?



an NEA Affiliate

- Knowledge is Power - Educate our members
- The Capacity to Act - Develop strong internal communication and mobilization systems
- Commit to Action – 1/3 of all members sign up
- Reach out to Elected Officials
- Reach out to the Community

First – Sign Up for Action!

There's strength in 98,000 educators standing together.

Yes! I want to take action and show my support during the 2011 Budget Session.

Name _____

Title/School District _____

Home e-mail _____

Cell phone _____

Address _____

City, State ZIP _____

Yes!
Send me text message updates about the 2011 budget session.

I'm interested in these issues (check all that apply)

- Issues related to my ability to do my job – including resource issues and professional development
- Issues related to making sure that kids' needs are met and that they have every opportunity to receive a quality education
- Issues related to education reform
- Issues related to my personal well-being, including my personal financial security now and into the future

I'd be willing to take the following actions (check all that apply)

- Write a Letter to the Editor
- E-mail / phone call interaction with my Legislators
- Meet face-to-face with Legislators
- Attend rallies / demonstrations
- Speak at community forums / rallies / demonstrations

For more information, visit WEAC.org or follow us on Facebook at Facebook.com/myWEAC



an NEA affiliate
33 Nob Hill Road
P.O. Box 8003
Madison, WI 53708-8003

weac.org



Second – Find Members Who Know Them

Council #10

CUDAHY • FRANKLIN • GREENDALE • GREENFIELD • OAK CREEK • ST. FRANCIS • SOUTH MILWAUKEE

Council 10 Area Legislators

Assembly

| | | | |
|---|---|---|---|
|  <p>Mark Honadel (R) 21st - South Milwaukee</p> |  <p>Chris Sinicki(D) 20th - Milwaukee</p> |  <p>Peggy Krusick (L) 7th - Milwaukee</p> |  <p>Jeff Stone (R) 82nd - Greendale</p> |
|---|---|---|---|

Senate

| | | |
|---|--|--|
|  <p>Tim Carpenter 3rd - Milwaukee</p> |  <p>Mary Lazich 28th - New Berlin</p> |  <p>Chris Larson 7th - Milwaukee</p> |
|---|--|--|

This is an 11.29 communication with WEAC members, Federal Statute CFR 100.8 (b) (4)

Third – Organize a Building Meeting



Help Educate Members and the Public

- Be a building contact
- Find local heroes
- Keep up to date
- Follow through

*“Courage is not the absence of fear,
but the judgment that something else is
more important than fear.”*

Ambrose Redmoon