

Senate Bill 5: Spin vs. Truth

Spin

Senate Bill 5 is an attack on Ohio's middle class.

Police officers, teachers and firefighters are being made scapegoats for the current financial condition of the state.

Senate Bill 5 destroys public workers' collective bargaining rights.

Senate Bill 5 will raise public employees' health care costs.

Senate Bill 5 will take away public employee pensions.

Senate Bill 5 will cut teacher salaries in half.

Senate Bill 5 will take away "step" pay increases.

Truth

False. The new law applies to a mere 6.5% of the state's 5.5 million workers. The vast majority of Ohio's middle class are hard-working men and women with private sector jobs. They have been hit hard by the recession, and Senate Bill 5 is designed to help every taxpayer by lightening the burden of government and holding the line on taxes. It simply asks public employees - who have better pay, better benefits and better retirement than private sector workers - to pay a modest share of their taxpayer-funded health and retirement benefits.

Absolutely not. Ohio's excellent public employees are not being blamed for anything. State and local governments, as well as school districts, are facing the same serious financial challenges that private sector workers and companies have faced in the last few years. With 70 to 80 percent of government budgets going to personnel costs, they are struggling to pay bills and provide essential services. Senate Bill 5 asks public employees to make modest contributions to benefits such as health care (15%, compared to an average 31% in the private sector), and it returns to public managers the flexibility to make management decisions to control costs. Teachers, police officers, firefighters and other public employees are highly valued for their excellent service to the state, and, even after Senate Bill 5 is implemented, they will enjoy pay, health care and retirement benefits that are superior to the average private sector employee.

False. Government employee unions can still assist their members in negotiating pay and employment conditions. But managers will have certain rights restored, like the ability to implement modern procedures, assign employees, and determine hours without union interference.

Senate Bill 5 only impacts government employees who pay less than 15 percent of their health care premium. The new law requires all government employees to pay at least 15 percent. That's hardly unfair when private sector workers are asked to pay an average of 31 percent, while local government employees are paying an average of 8.3 percent.

Absolutely false. Pension terms and amounts are not affected by Senate Bill 5. The new law does end a practice in some communities where taxpayers (many of whom have no pension plans) are asked to pay BOTH the employer AND employee shares of public employee pensions. In these communities, employees will be asked to pay their fair share (10 percent) as defined in Ohio law.

False. Senate Bill 5 sets no specific minimums or maximums on salaries.

True. Senate Bill 5 bases employee compensation on performance, rather than seniority - just as companies do in the private sector. When layoffs are necessary, performance must be considered instead of simple seniority so taxpayers get the most for their dollars.

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Senate Bill 5 will allow the Auditor of State to invalidate labor contracts.

Truth

False, with one exception. When local governments or schools are declared to be in “fiscal emergency,” meaning they can’t pay their bills, then labor contract provisions can be suspended. This important provision will give management and labor an incentive to work together to avoid the public sector equivalent of bankruptcy.

Senate Bill 5 won’t do anything to balance the budget.

Senate Bill 5 is estimated to save state government \$191 million annually and millions more for local governments. These savings will be realized as existing contracts come up for renewal, and some of that will happen within the next two-year state budget. Even more benefit will be realized in future budgets. Savings will start smaller and grow over time.

Senate Bill 5 won’t create jobs; it will cost jobs.

Reducing the cost of government so Ohio can reduce its tax burden will help create jobs. Senate Bill 5 is an important part of that equation. Last year, Ohio had the 7th-highest total state and local income tax burden in the country, and these high tax rates are a barrier to job creation. Reducing government costs so state and local governments can begin reducing taxes is essential to economic development and recovery. If we fail, we will continue the slide that has produced 400,000 job losses over the past four years.

Senate Bill 5 eliminates binding arbitration and that will mean more labor contract disputes.

Binding arbitration - or the fear of it - forces local governments to agree to labor contracts they cannot afford, and it should be eliminated. Local governments across Ohio have been forced into budget deficits and even tax increases by binding arbitration decisions made by unelected and unaccountable arbitrators. These decisions are often made without knowledge of or regard for current financial conditions (or taxpayers’ ability to pay the bills). In most every dispute situation, Senate Bill 5 replaces outside arbitrators with local, elected government leaders, who are directly accountable to the voters for managing tax dollars. Taxpayers will also have a greater, more transparent role in helping to resolve contract disputes by reviewing proposals from both sides and participating in a public hearing.

Senate Bill 5 prevents public employees from making political contributions through their unions.

False. Workers desiring to have money withdrawn for political contributions may do so. But in order to prevent public employees from being forced to donate to causes they may not believe in, Senate Bill 5 requires unions to submit a signed authorization from an employee before political donations can be withheld.

Senate Bill 5 undermines union by allowing workers to opt out of union membership.

Senate Bill 5 gives state employees freedom of choice in deciding whether or not to join a union. If they choose not to join, non-union employees cannot be compelled to pay union dues or fees, as unions did under the previous law.

Public employees who strike can be jailed.

False. The bill seeks to assure continuity of vital public services by making strikes illegal. A judge could order strikers to return to work, but violators cannot be jailed, simply replaced.