



## BOB ZIEGELBAUER

STATE REPRESENTATIVE • TWENTY FIFTH ASSEMBLY DISTRICT

Contact: Rep. Bob Ziegelbauer  
920-323-7497

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### **Rep. Ziegelbauer Statement on Budget Adjustment Legislation**

*(January Special Session Senate Bill 11)*

*Wisconsin Retirement System, Public Sector Health Insurance Benefits, Collective Bargaining*

Thank you for stopping by my office in regard to your interest in my position on the Budget Adjustment Legislation as it is currently proposed by Governor Walker.

I believe that once we make this necessary, but very modest, realignment of total compensation (wages and benefits) for all employees in the public sector, bringing them back into sync with the rest of the economy, we will be able to move forward without constantly cutting staff, programming, and other support resources.

By a "necessary very modest realignment" I am referring to the economic impact in late 2008 and early 2009 when almost everyone in the private sector of the economy experienced an involuntary immediate economic hit that was much larger than we are looking at here (15%, 25%, 35%, even 100%). The impact was one time, but permanent, and they are mostly still slowly recovering from that. At the same time however, the public sector kept rolling along with the costs of total compensation (wages plus the cost of employee fringe benefits) continuing to grow as if things were normal, at rates double, triple or higher the rate of inflation, all while the economy and inflation was flat.

This similar, but MUCH LESS, one time realignment of compensation costs in the public sector - on the order of 6% to 7% for local employees - will go along way toward turning us around (freeing up perhaps as much as a billion dollars in the next budget) and starting us back in the right direction, where we stop cutting programs, stop laying people off, end the furloughs, and begin to add back the jobs going forward, creating more career opportunities for people, at schools, counties, and cities throughout the State, doing the work we need to do to provide services the people of our communities want us to deliver. I am confident we will be heading in a very positive direction soon.

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STATE CAPITOL: P.O. BOX 8953, MADISON, WI 53708-8953 • (608) 266-0315 • TOLL FREE: 1-888-529-0025

FAX: (608) 282-3625 • HOME PAGE: [www.bobziegelbauer.com](http://www.bobziegelbauer.com) • E-MAIL: [rep.ziegelbauer@legis.wisconsin.gov](mailto:rep.ziegelbauer@legis.wisconsin.gov)

DISTRICT: 1213 S. 8TH STREET, P.O. BOX 325, MANITOWOC, WI 54221-0325

MANITOWOC COUNTY EXECUTIVE OFFICE: (920) 683-5107 • HOME: (920) 684-6783

This isn't a pleasant reality that anyone would wish to face. It is however a situation that requires us to make tough decisions. The bill still has several opportunities for change and improvement this week.

Part of the reason we are at this juncture is the fact that local officials like me all around the State got absolutely no cooperation from the local public sector unions as we asked them to join us in facing up to these real problems as we tried to save JOBS!! Why? The current Med/Arb systems gives power to negotiators to just say no, walk away, and watch the layoffs. Now, we're at the point where time has run out and a statewide solution is on the way.

As for Police and Fire, I agree that they should be included and will continue to work toward that end. The Governor and Legislature will be treated the same as everyone else, and then some, as the future value of their pensions will also be reduced in addition to the other items.

It's time to realize that the money has run out. We have no choice to face up to it. This proposal is all about saving JOBS!, the jobs of thousands of hard working public employees around the state. No matter how this issue turns out, we will face more and more difficult decisions in the days ahead.

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