



# (Re)Calling Governor Scott Walker

The recall election against Wisconsin Governor Scott Walker is set for June 5. Only 19 of the 50 states permit recall elections to remove a Governor and, in eight of those 19 states, specific grounds are required for a recall election to be sanctioned. Some form of malfeasance or misconduct while in office must be identified by the petitioners. In the other 11 states that allow recall elections against Governors, no grounds are required, and recall petitions may be circulated for any reason. Wisconsin is one of the states that falls into the latter category.



Only two Governors have ever been successfully recalled: North Dakota Governor Lynn Frazier in 1921 and California Governor Gray Davis in 2003. Those two states also allow recall elections for any reason. That raises a few obvious questions. What did those two Governors do to upset the voters so much that the voters did not want to wait until the next election to remove them from office? Likewise, what are Governor Scott Walker's perceived offenses? And how do Governor Walker's alleged wrongs compare with those of the other two Governors?

In the case of North Dakota Governor Lynn Frazier, the recall election arose from a conflict over whether or not the state should own the Bank of North Dakota and State Mill and Elevator, a flour mill. The Governor was for state ownership. Unfortunately for Governor Frazier, the years between 1915 and 1921 were a very turbulent period of time in North Dakota's history: Farm prices were down nationwide, the state's crops were poor because of bad weather, and the state was suffering along with the rest of the country during the economic depression following what was then referred to as "The Great World War." One could readily make the argument that, no matter who had been Governor at the time, that person would have been recalled.

As for California Governor Gray Davis, his recall election stemmed from the political climate that was largely shaped by a costly electricity crisis, in which many residents saw their monthly utility bills go up by as much as 200 percent. The shortage of electricity was caused by market manipulations and by Texas energy companies illegally shutting down their pipelines. As a result, California suffered from multiple large-scale blackouts, and one of the state's largest energy companies collapsed. But the public held Governor Davis at least partly responsible for the situation because he had mismanaged the events leading up to the electricity crisis, according to a number of credible accounts. In addition, many people throughout California began to believe that Governor Davis was guilty of corruption, due to accusations from some quarters that he was using his political connections to help those who had contributed generously to his political campaign. Compared to the recall of North Dakota's Governor Lynn Frazier, the recall of Governor Davis involved a lot more than just bad luck and bad timing.

That brings us to this year's recall election against Wisconsin Governor Scott Walker, which involves circumstances quite different from the two recall elections described above. Shortly after taking office in January of 2011, Governor Walker enraged labor union officials, both in his own state and throughout





the country, when he introduced legislation that would abolish compulsory labor-union dues for most state employees (law-enforcement officers, fire fighters, and many transportation workers were exempted) and severely limit the scope of public-sector labor-union collective bargaining. In response, many teachers abandoned their classrooms and staged raucous rallies at the state Capitol in Madison, and labor-union militants issued death threats against the Republican Governor and Republican members of the state legislature. Fourteen Democratic state Senators even hid in Illinois for several weeks to prevent the quorum needed to pass the bill (S.B. 11). That tactic ultimately failed, and on March 11, 2011, Governor Walker signed into law the measure now known as Act 10.

## **Acting on Act 10**

Act 10, officially known as the Budget Repair Act of 2011, prevents most state employees from being fired for declining to pay what were previously compulsory membership dues to a public-sector labor union. National Right to Work Vice President Mary King described what she saw as the positive outcomes arising from the Budget Repair Act, stating, "Act 10 has already reaped major benefits for taxpayers, public schools, and other local government agencies. Act 10 has enabled Wisconsin to eliminate, without increasing taxes, a state budget deficit that was projected in February 2011 to reach \$3.6 billion over two years. At the same time, by rolling back government union bosses' monopoly bargaining privileges, this reform has made it far less difficult for local elected officials to spend the resources they have prudently, so as to provide taxpayers good services at a reasonable cost."

For example, prior to Act 10, the Hartland-Lakeside School District in suburban Milwaukee was contractually obligated to reimburse teachers for any college courses they took, even if those courses had nothing to do with the subjects that they were teaching. But Hartland-Lakeside Superintendent Glenn Schilling reports that things are very different now: "With Act 10, that is gone. We only pay for credits if it's a direct benefit to the district."

Other examples abound. In the Milwaukee suburb of Brown Deer, the school district is carrying out a plan to allow teachers to be paid on the basis of performance. "No Wisconsin public-school district has ever had the opportunity in any of our lifetimes to even think about these things," as finance director Emily Koczela explained it to a local television station. She elaborated further by saying, "We are looking at understanding what effective teaching is, how to measure it in the children's point of view, and how to reward teachers that consistently turn in a performance that is better than the norm."

Ironically, Milwaukee Mayor Tom Barrett, Governor Walker's Democratic opponent in the 2010 gubernatorial race, Walker's opponent in the recall election, and a bitter foe of Act 10, has publicly admitted that, thanks to that very legislation, his city would save "at least \$25 million a year and potentially as much as \$36 million in 2012."

In the city of Appleton, Act 10 made it possible for the local school district to save \$3 million by putting the healthcare insurance contract out for bid. Before the enactment of collective bargaining reforms, the school district's contract with the teachers union had required it to purchase healthcare insurance from the Wisconsin Education Association Trust, which is closely associated with the state's largest teachers union. When the Appleton School District went to the open market for healthcare insurance, the Wisconsin Education Association Trust suddenly announced that it could reduce its rates and would match the lowest bid — an obvious sign that it had been ripping off millions of dollars from local taxpayers for many years.

Other local governments have taken similar actions. In Manitowoc County, County Executive Bob





Ziegelbauer changed the overtime policy, which saved the county's taxpayers \$100,000. And the Kaukauna School District, after dealing with a \$400,000 deficit last year, realized a \$1.5 million surplus when it implemented performance pay and fringe benefit reforms.

All over Wisconsin, the jobs of public-school teachers are being spared, thanks to the increased benefit contribution requirements called for by Governor Walker's reform plan. That is, public-school teachers have to contribute more out of their own salaries toward their healthcare insurance and pension plans, rather than have the taxpayers pick up almost the entire tab. The Wauwatosa School District, facing a \$6.5 million shortfall, expected that it would need to cut 100 teaching jobs — yet it was able to save those teaching positions through shared sacrifice. "When students come to school in the fall, they are going to see the same things, have the same teachers, and they are going to see new things as well," said Wauwatosa School District board member Phil Kroner last summer, upon passage of the annual district budget.

That is not to say that all Wisconsin residents are benefiting from Act 10 to the fullest extent possible. Although that legislation was passed and signed into law during March of 2011, its provisions were not due to take effect until June of that year. Prodding by public-sector labor unions induced some localities to choose to renew public employee contracts before Act 10 went into effect. As a result, those localities, especially those such as Janesville, Kenosha, and Milwaukee, have not fully benefited from the cost savings that Act 10 would have made possible to them. Opponents of Governor Walker have been running deceptive TV ads showing people complaining that teachers are being laid off, class sizes are increasing, programs are being cut, etc. The ads conveniently refrain from mentioning which areas are experiencing those negative consequences, and why they are experiencing those adverse effects.

Governor Walker's office has set up a Reforms & Results website (www.reforms.wi.gov) in order to describe some of the success stories and to detail the results of the Governor's collective bargaining reforms. Of course, detractors will argue that the website is self-serving and tells only one side of the story. But the sheer volume of examples is impressive, even if it is not convincing to those who oppose Governor Walker's reforms. The "Success Stories" section of the website offers up a chronological collection of excerpts taken from articles and commentaries from around the state showing how Act 10 has improved education and government services to the benefit of local governments, school districts, and taxpayers. The collection of excerpts runs to an entire 52 pages (and still counting).

## **Critiques and Criticisms**

One of the early criticisms that is still being leveled against Governor Walker is that, during his campaign for Governor, he never said that he would move to "strip collective bargaining rights" from the public-sector unions. On the other hand, that was refuted by Governor Walker, as he explained in an interview published in May of 2011: "The bottom line was I told people, not only when I was campaigning, but the whole time I was the county executive of Milwaukee County, that I was going to take on the status quo. I told them what I thought the problems were. In our state, the challenge we face is both an economic and a fiscal crisis. I told them I was going to take on both, head-on, right away. So it shouldn't be any surprise." In fact, the Wisconsin Education Association Council (WEAC) ran a chart in its newsletter and on its website showing the positions of candidates Scott Walker and Tom Barrett on various issues prior to the gubernatorial election, which took place in November of 2010, and that chart made it very clear that Walker supported legislation curtailing the collective bargaining powers of public-sector labor unions. The public-sector labor unions knew exactly what to expect from a Walker administration, but now want the voters to believe they were blindsided.





WEAC has also customarily posted data on its website relating to school district financial surveys. Since recent data showed that Governor Walker's collective bargaining reforms are working, the teachers union quickly took the data down. To verify survey information, the Governor sent a letter to Mary Bell, the president of WEAC, requesting that WEAC post its past survey data on its website. Here is an excerpt from that letter: "School district survey data collected by WEAC does not appear on your website, and you have refused to provide my office with any answers after repeated attempts to learn more about the results collected over the last decade. In the interest of fully informing the public about the progress schools have made over the last year, I am asking you to repost the complete survey data on your website." WEAC has ignored Governor Walker's request for access to the information and for WEAC to re-post it on its website, as it normally does, so that the voters can make an informed decision. In response, the Governor blasted the Wisconsin teachers union for pulling the results of its survey off its website simply because it showed "more positive results than they've had in the past." Governor Walker said that WEAC was embarrassed that the most recent survey indicated that school districts see conditions as improving, because it "completely undermines their argument about the status of schools in the state of Wisconsin."

Initially, the public-sector labor unions tried to gain the sympathy of the voters by claiming that their members would not be able to survive if teachers and other public employees were required to spend more out of their own salaries to fund their healthcare and pension benefits, rather than have the bulk of those fringe benefits funded by the taxpayers. But when figures were made public showing that those claims were not true and that those public-employee benefits were still incredibly generous, compared to those of the typical taxpayer working in the private sector, the public-sector labor unions changed tack and agreed to the reforms, so long as "collective bargaining rights" remained in place. In other words, what the public-sector labor unions really wanted were the mandatory labor union memberships and mandatory dues. To put it bluntly, the primary consideration was not about fighting for their members but, rather, getting their hands on their members' money, because that money is used to buy political influence. When political candidates who are financially supported by public-sector labor unions get into office, they pursue policies that increase the cost of government services for the taxpayers, and those policies simultaneously funnel more money into the coffers of the public-sector labor unions. It becomes a vicious circle, and a kind of corruption that almost solely benefits Democratic candidates, which explains why collective bargaining is such a hot-button issue to the Democratic Party. It also explains why public-sector labor unions generally support raising taxes, rather than cutting government expenditures, in order to achieve balanced budgets.

In spite of that, public opinion polls showed that the "collective bargaining rights" theme was effective in gaining public sympathy, at least in the beginning. People heard the word "rights" and thought that some kind of injustice was being done. What people did not understand at the time was that employee protections were still in place. All of the "rights" contained in collective bargaining laws are union "rights," not employee rights. What changed was that powers previously enjoyed by public-sector labor unions were transferred to the local elected representatives of the people, as well as other local officials. For example, school superintendents and principals can now make hiring and firing decisions regarding their staffs on the basis of merit and performance and not on the basis of seniority and public-sector labor-union contracts.

#### Work in Wisconsin

The anti-Walker TV ads now being run by the Democrats and their labor union allies completely avoid







any mention of collective bargaining because that would run the risk of reminding the voters that Governor Walker's reforms to collective bargaining in the public sector are benefiting the state. Instead, the main theme now appears to be that of Governor Walker's "broken promise" to create 250,000 new jobs in Wisconsin during his four-year term of office. While it may seem disingenuous to pass judgment when the Governor is little more than a year into his four-year term, it is true that job growth in Wisconsin is presently not occurring at a pace that would achieve the Governor's promised goal. The problem for Governor Walker is that he now finds himself in a classic Catch-22 kind of situation, because his political opponents have created an environment that makes it virtually impossible for the Governor to deliver on his promised goal of creating a quarter of a million new jobs in four years: staging the recall and creating uncertainty amongst businessmen that they will benefit from Walker's reforms. The situation is so unfavorable that one TV ad frequently being run at present declares that, since Governor Walker stepped into office, Wisconsin has lost more jobs than any other state in the nation. But economic statistics can be massaged, manipulated, and misrepresented to yield almost any outcome one desires. For example, as the *Post-Crescent*, one of the major newspapers in northeastern Wisconsin, reported in its May 1 edition:

Data released by the state Department of Workforce Development last week reported ... the state's overall jobless rate in March was 6.8 percent, down from 7.6 percent a year ago.

The state's numbers contradict a *Milwaukee Journal Sentinel* story picked up by the Associated Press, which cited [federal] government data showing the state lost 23,900 jobs from March 2011 to March 2012. No other state lost more than 3,500 jobs, the newspaper reported.

Data can be interpreted many ways. Reviewing the state's latest jobless numbers, it indicates the seasonally adjusted employed labor force totaled 2,856,600 in March, an increase of 18,500 from the same month last year.

The Reforms & Results website bolsters the Governor's case by reporting the following:

In the three years prior to Governor Walker taking office, Wisconsin lost 150,000 jobs....

Business owners say a fiscally responsible government and business-friendly state leaders give them the confidence they need to expand, grow, and hire. Wisconsin jumped 17 spots from 2010 to 2011 in Chief Executive Magazine for best states to do business in....

- The Tax Foundation in collaboration with KPMG LLP [Klynveld, Peat, Main and Goerdeler, Limited Liability Partnership] recently released a new report, Location Matters: A Comparative Analysis of State Tax Costs on Business. The new study rated Wisconsin as one of the top five states for new businesses. The study was based on tax laws that were in effect as of April 1, 2011. When additional pro-job policies are factored into the study in the future, it's anticipated that Wisconsin will improve even further in the rankings.
- The Philadelphia Federal Reserve Bank released an economic growth forecast on March 20 that forecasts Wisconsin to grow 1.95 percent over the next six months, which is the best economic forecast for the state since 2003 and Wisconsin experienced the most improved forecast in the nation.
- According to an April 2012 article in the *Milwaukee Journal Sentinel*: Wisconsin has dramatically improved its ability to incubate businesses, moving up to 29th among all states from 43rd in 2010, according to an annual competitiveness measure released by the Beacon Hill Institute at Suffolk University in Boston.





In the end, it all comes down to clarity or, in this case, the lack thereof. Businesses in Wisconsin, and those businesses elsewhere that may be contemplating setting up operations in Wisconsin, do not have that clarity, thanks to the uncertainty created by the recall vote and the campaign to undermine Walker. If there is one thing that business people cannot abide, it is uncertainty, because uncertainty makes it virtually impossible for businesses to make plans for the future with any degree of confidence. Businesses will continue to hold off on spending, investing, and expanding in Wisconsin until there is clarity of future expectations, because businesses do not want to run the risk of making decisions now that might turn out to be bad decisions, should Walker's reforms be reversed.

In a recent Newsmax interview, the embattled Wisconsin Governor confidently predicted that job creation in the Badger State would soar once the uncertainty and expense of the drawn-out June recall election was over. "I firmly believe you are going to see a dramatic takeoff after June 5th, because businesses feel like we are headed in the right direction," he declared, and cited statistical evidence to support his case. When Walker was first running for office in 2010, a survey conducted by the state Chamber of Commerce indicated that only one in 10 employers felt that Wisconsin was headed in the right direction. That same survey completed earlier this year reported that 94 percent of Wisconsin employers are confident that the economy is now headed in the right direction, and 87 percent of Wisconsin employers say that they intend to hire more employees this year. "I think the big thing that people are waiting for is to have the certainty of knowing that this sort of positive outlook for job creators is going to continue," Governor Walker told Newsmax, and added, "That's why I think that, after June 5th, after these primaries [in May] are done, and when I and the lieutenant governor and these senators [who are also facing recall elections] prevail, I think it means there will be a clear message to the job creators and the small businesses in the state that now is the time to add jobs. And I think they will."

Public-sector labor unions are deadly serious about politically and personally destroying Governor Walker because right now he is the only reformer whose actions might actually end labor-union dominance over government. The June 5 recall election in Wisconsin represents a critical turning point for the entire nation. If the public-sector labor unions prevail in recalling Governor Walker, because he dared to challenge their previously legislated privileges and political power, then those labor unions will be entrenched nationwide as a kind of new American Mafia, which will be in a position to extort increasing amounts of money from the taxpayers.

Photo of Gov. Scott Walker: AP Images





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