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## Ohio: A New Kind of Battleground

Amy Hanauer | May 11, 2011

When my daughter started kindergarten, she was deemed secure enough to be placed next to the most rambunctious boy in the class. Her classmate, son of a formerly incarcerated man, quickly won us over with his humor, intelligence and infectious grin, if not always with his strict adherence to classroom expectations. But our well-resourced school system, which abuts a struggling neighborhood in Cleveland, also assigned gifted teachers and a much-beloved aide to that student. Five years later my daughter proudly tells me that her old kindergarten seatmate is a top math scholar in their fourth grade class.

Investments like that are what's at stake in Ohio as the State Senate considers the brutal budget passed by the House, a bill that includes \$2.1 billion in education cuts, a 9 percent reduction. These cuts, coupled with a bald attack on the collective bargaining rights of public sector workers, will further dampen an economy that has left Ohio riddled with foreclosed homes, displaced workers and troubled communities.

Official unemployment in Ohio stands at 8.9 percent, with more than 525,000 Ohioans searching for work. The state never recovered from the 2000–01 recession: it lost a staggering 650,000 jobs between 2000 and 2010, nearly one out of eight jobs. According to Cleveland-based economic research analyst George Zeller, over a similar period Cuyahoga County, home to Cleveland, lost more than one in six jobs and well over one in three of the manufacturing jobs that once made this region an economic engine. For this and other reasons, job quality has declined precipitously. As an indicator of how much families in this state are struggling, a record four out of every ten schoolchildren in the state now qualify for subsidized lunch.

Although more and better jobs are what Ohio most needs, in mid-March Governor John Kasich introduced a budget that is sure to lead to dramatic job losses, with tens of thousands of public employees set to be laid off. Two weeks later, he signed a bill to reduce job quality in the public sector by drastically rolling back collective bargaining rights, outlawing strikes and giving local management more authority to resolve a negotiating impasse.

But community organizers, labor activists, teachers, firefighters and families of all income levels are not taking these rollbacks lying down. On the contrary, Kasich and his allies may have done the near-impossible—fostered solidarity among groups who don't always understand their shared interests.

Even before the collective bargaining assault and the all-cuts budget came along, labor and community leaders were planting the seeds of a new coalition with the unwieldy moniker Stand Up

for Ohio for Good Jobs and Strong Communities. The collective bargaining repeal, Senate Bill 5, dropped just as the group launched its Facebook page. The page got more than 115,000 fans in its first days, an unprecedented debut. But the group is not just fostering a Facebook revolution—it and other coalitions generated crowds of around 10,000 in the state capital twice this spring, the biggest Statehouse rallies in at least fifteen years.

“Elected officials told us that cutting taxes, privatizing services, reducing unionization, cutting regulation and encouraging more international trade would bring back good jobs and strong communities. It didn’t work,” said Seth Rosen, vice president of the Communication Workers of America District 4, in an interview after a fiery speech announcing Stand Up for Ohio at the dignified City Club of Cleveland. “Instead, it led to lower wages, fewer jobs, more debt and fewer resources to support the public structures, services and institutions that build communities. It did help enrich a lot of people, though—people at the top.”

Community leaders like Trevelle Harp, lead organizer for the Northeast Ohio Alliance for Hope, agree with the way Rosen connects the dots. “We’re an already distressed city with population loss and infrastructure needs. These cuts are really going to affect us,” Harp said of his neighborhood in the city of East Cleveland. “What it means for the community is public services that we’re used to getting, that need to be beefed up—now they’re going to be cut. It’s going to be challenging.”

Harp’s right. What some have dubbed the “Slash, Seize and Sell Budget” slashes services; seizes revenue from local governments, libraries and schools; and sells public assets, including five prisons and the liquor distribution business, eliminating long-term revenue sources and reducing public control over vital public functions. The cuts to services used by low- and middle-income families are extraordinary, including an apparent \$1.4 billion reduction in Medicaid, the K–12 cuts and a \$1 billion cut to local governments (a mind-boggling 50 percent chop in the second year).

These cuts will of course add to our ample ranks of unemployed Ohioans. In education alone, we’ve tallied that more than 29,000 Ohio school employees will be dismissed. In other parts of the budget medical aides, physical therapists, drivers, childcare providers, addiction counselors and more will be cast aside, leaving patients, parents and other Ohioans more likely to leave children unattended, return to drugs and alcohol, or flounder in different ways. Public sector job loss and diminished services are the obvious and immediate consequences. But as public servants are given pink slips and pay cuts, they in turn stop going to restaurants and theaters, pull kids out of daycare, stall on needed roof repairs and spend less in grocery stores. Because of that, the 29,000 axed school jobs alone will generate more than 14,000 new job losses in the private economy. Other public job cuts will also reverberate through communities.

The state is plundering schools and local government in part because of recession-induced revenue declines caused by excessive deference to the private sector—which let Wall Street aggressively market toxic loans to families in and around Cleveland. But in Ohio, our slavish devotion to tax-slashing is also at the heart of the budget woes. In 2005 Ohio passed a tax cut package that is responsible for a more than \$4 billion bite out of our biennial budget. We eliminated our tax on corporate profits and another major business tax (replacing them with a tax that brings in far less), drastically reducing what businesses contribute to the schools and universities that supply them with workers and public services of all stripes.

We also cut the individual income tax—giving the 1 percent of Ohio households that earn more than \$319,000 a year an annual tax break exceeding \$10,000, enough to buy a modest new car each year. Because our income tax has been progressive, the tax cuts are far less generous going down the income scale: a few tanks of gas at the median, several gallons at the bottom.

Intact are 128 tax loopholes worth more than \$7 billion—the governor’s budget did not even pretend to close any of them. The 2005 restructuring and lowering of corporate taxes was touted as needed to generate jobs (we’ve shed jobs faster than the nation as a whole has since) and get rid of loopholes (we’ve added some new ones since).

The approach not only has Democrats raging; it may be fracturing the typically disciplined Republican ranks. The leadership had to dump two Republican senators from committee posts to advance the collective bargaining repeal, which eventually passed both chambers with no Democratic votes and with eleven Republican lawmakers splitting off.

The budget, too, is generating internal divisions. At a panel put on by the Civic Commons, a Cleveland forum, northeast Ohio Republican mayors and legislators backpedaled from the approach at the top of the ticket. Republican Mayor Dave Gillock of the fast-growing suburb of North Ridgeville worried about layoffs, which he said would fall in vital police, fire and street departments: “We are small government. We can’t get much smaller,” Gillock said. “We do value our employees; we don’t want to try and balance our budgets on the backs of our employees. In our last budget round...our employees took an average cut of about 11 percent—that’s huge to them. If you want to put more on top of that, then, you know, where do you stop?”

But whatever discomfort policy-makers from either party might feel, it doesn’t compare with the pain to be spread among students, citizens, clients and employees of local government. At the Civic Commons forum the closing question went to a woman whose silver hoop earrings matched her silver cornrows. “My name is Beryl Davis. I’m a public employee, and I work for the Department of Developmental Disabilities,” she said softly. “I received my layoff notice on April 14. I have until July 1 and then my position will be abolished.”

It may seem puzzling in a state that has lost so many jobs that the governor and lawmakers would be acting to lay off more workers, reduce services further and lower compensation. The governor recently clarified his motives, explaining that he wants public sector compensation to go down because “when I go to Bob Evans and I see a woman working in there who doesn’t have any pension, and I don’t even know if she has healthcare benefits—and if she does they’re shabby, at best—to think we’re asking public workers to do a little bit more, people who have guaranteed benefits and people who are not paying very much for their healthcare, and to ask them to do a little bit more in the name of providing balance to that mom who is trying to educate her kids, it’s fairness.”

Governor Kasich’s actions don’t improve compensation at Bob Evans restaurants. On the contrary, he’s looking for savings in the Medicaid program that insured more than 4,700 of the chain’s employees or their children during a recent snapshot month. But he *is* helping Bob Evans’s CEO Steven Davis, who makes \$3.9 million a year, by preserving that \$10,000-plus individual tax break. And in addition to the tax cuts that all Ohio companies have scored, the state just provided \$7.7 million in incentives to keep Bob Evans headquartered in Cleveland, a gift that didn’t come with any requirement that servers’ compensation be made less “shabby.”

What Kasich and the CEO class he serves are counting on is that the Bob Evans worker will somehow feel better if her customers who work for cities, schools or the state lose their jobs or have their pay slashed. Stand Up for Ohio and others are counting on just the opposite—that private and public workers and Ohioans who use public services (and who doesn’t?) will be incensed by the overreach.

The activists may be right: having gathered enough signatures to get their petition language approved, supporters of collective bargaining rights say they’ve already signed up 10,000

volunteers to gather the more than 231,000 signatures needed to restore collective bargaining rights through a ballot referendum in November.

Environmentalists, parents, college students, school kids, union members, human services advocates and others are starting to bury their differences and coalesce around a new approach. A decent state budget, solid public services, reasonable revenue raised fairly and preservation of workers' rights in every sector of the economy are all pieces of that puzzle.

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