

## Downing, Karley - GOV

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**From:** [REDACTED]  
**Sent:** Saturday, February 12, 2011 10:40 AM  
**To:** Schrimpf, Chris - GOV; Werwie, Cullen J - GOV  
**Cc:** Gilkes, Keith - GOV; Schutt, Eric - GOV  
**Subject:** Re: NYTimes

Similar to email to state workers is good. I'm a parent too. NY, CA and others are cutting state aid to schools and local governments without ways to offset reductions. Modest changes compared to those outside government.

----- Original Message -----

**From:** Schrimpf, Chris - GOV  
**Sent:** Saturday, February 12, 2011 10:26 AM  
**To:** [REDACTED]; Werwie, Cullen J - GOV  
**Cc:** Gilkes, Keith - GOV; Schutt, Eric - GOV  
**Subject:** Re: NYTimes

I'm drafting a first draft now, and will have it to eric and ryan and the policy folks to tweak soon.

----- Original Message -----

**From:** [REDACTED]  
**Sent:** Saturday, February 12, 2011 10:25 AM  
**To:** Schrimpf, Chris - GOV; Werwie, Cullen J - GOV  
**Cc:** Gilkes, Keith - GOV; Schutt, Eric - GOV  
**Subject:** Re: NYTimes

We can get a list of every licensed teacher in the state from DPI and mail them a letter. I did that for Wauwatosa when I was in the Assembly.

----- Original Message -----

**From:** Schrimpf, Chris - GOV  
**Sent:** Saturday, February 12, 2011 09:30 AM  
**To:** [REDACTED]; Werwie, Cullen J - GOV  
**Subject:** Re: NYTimes

It seems from the coverage overall that the teachers are going to be the greatest opposition to this, which makes sense since they are in every community and can talk about "the kids". Communicating to them and correcting their message will be key on monday and tuesday.

We might want to consider a letter to teachers, a letter to superintendents, and or a letter to school boards.

----- Original Message -----

**From:** [REDACTED]  
**Sent:** Saturday, February 12, 2011 09:06 AM  
**To:** Schrimpf, Chris - GOV; Werwie, Cullen J - GOV  
**Subject:** NYTimes

Good story.

## Downing, Karley - GOV

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**From:** Schrimpf, Chris - GOV  
**Sent:** Saturday, February 12, 2011 10:15 AM  
**To:** [REDACTED]  
**Subject:** Fw: A Message From Governor Scott Walker

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**From:** Governor Scott Walker  
**Sent:** Friday, February 11, 2011 10:41 AM  
**To:** Governor Scott Walker  
**Subject:** A Message From Governor Scott Walker

**GOVERNOR SCOTT WALKER**  
**STATE OF WISCONSIN**

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Thank you for your service to your state and your fellow citizens. I know that you have worked hard during this economic downturn to ensure that our citizens continue to receive great service, despite our state having fewer and fewer resources. I, like all Wisconsinites, am grateful for your professionalism and commitment to public service.

Like almost every state across the nation, our state faces some very serious and undeniable financial challenges. Over the last three months, I have worked diligently to review the status of our state finances and to put forward a plan that balances our budget now and will create stability in future budgets.

Many of you are aware of the immediate challenges facing our state. In the current fiscal year which ends on June 30, 2011, we face a budget deficit of \$136.7 million. We also owe more than \$200 million to the Injured Patients and Families Compensation Fund. Failure to immediately address this shortfall could result in the state being unable to pay for health services to thousands of children and families in Wisconsin's BadgerCare program.

Looking to the future, our challenges are even greater. Over the next two years, the State of Wisconsin faces a biennial budget deficit of \$3.6 billion.

While some of these financial challenges may be attributed to the slowing of our economy, the reality is that these problems were exacerbated by poor budgeting decisions approved and promoted by past elected leaders, Republicans and Democrats alike. By relying on the use of one-time money, segregated fund raids, and increases in taxes and fees, past leaders have focused on short term solutions without looking toward the future.

While these decisions may have appeared to be the easiest solution, or the path of least resistance, the bills for these decisions have come due and the path to long term financial solvency for our state requires shared sacrifices from everyone.

Today, I am introducing a Budget Repair Bill to address our current fiscal year deficit of \$136.7 million. Later this month, I will introduce my 2011-2013 Biennial Budget proposal to address the pending \$3.6 billion deficit.

The Budget Repair Bill will include a number of reform measures focused on bringing government employee benefits closer to the private sector, including:

- Pension Contributions – Currently, state, school district and municipal employees who are members of the Wisconsin Retirement System contribute very little toward their pensions. The bill requires that WRS employees, including myself and my cabinet officers, as well as employees of the City and County of Milwaukee, contribute 50 percent of their monthly pension contributions. This amount is estimated to be 5.8 percent of salary for 2011, which is about the national average for private sector employees.
- Health Insurance Contributions – Currently, state employees pay approximately 6 percent of annual health insurance premiums. This bill requires that state employees, again including myself and my cabinet officers, pay at least 12 percent of monthly premiums, which is still less than half of what the private sector pays. In addition, the bill directs the Group Insurance Board to implement changes to health insurance plan designs to further reduce premiums by 5 percent and will implement health risk assessments for all state employees beginning on January 1, 2012. Local employers participating in the Public Employers Group Health insurance program operated by the state will be prohibited from paying more than 88 percent of the lowest cost plan.
- Collective Bargaining – Given the above changes, the bill also makes various changes to limit collective bargaining to the base pay rate. Total increases cannot exceed the Consumer Price Index (CPI) unless approved by a referendum. Contracts will be limited to one year and wages will be frozen until the new contract is settled. Collective bargaining units will have to take annual votes to maintain certification as a union. Employers will be prohibited from collecting union dues and members of collective bargaining units will not be required to pay dues. These changes take effect upon the expiration of existing contracts. Local police and fire employees and State Patrol Troopers and Inspectors are exempted from these changes.

Collectively, these changes will result in savings of approximately \$30 million in the remaining few months of the current fiscal year.

In the days ahead, some may attempt to misrepresent these reform measures, spreading inaccurate or misleading information. To ensure that you know the facts, I would like to proactively address these issues.

Furloughs – Over the last several years, state employees have been required to take furloughs resulting in an across the board pay cut of approximately 3 percent. The Budget Repair Bill and my 2011-2013 Biennial Budget proposal will not include additional furlough days for state employees.

Layoffs – Without the pension and health care reforms described above, saving \$30 million over the last three months of the current fiscal year would require laying-off more than 1,500 state government employees. By implementing these reforms, the provisions contained in both my Budget Repair Bill and my 2011-13 Biennial Budget proposal are focused on avoiding layoffs for state employees.

Wisconsin's Civil Service System – The Budget Repair Bill and my 2011-2013 Biennial Budget proposal will not include any provisions to alter or modify the main tenets of Wisconsin's Civil Service System, one of the strongest in the nation. The grievance and dispute resolution systems currently in place, as well as all employee protections, will remain.

Vacation and Sick Leave Policy – Recent news stories have suggested that I am considering altering the state's vacation or sick leave policy. The Budget Repair Bill and my 2011-13 Biennial Budget proposal will not include any provisions to alter or modify state employees' vacation or sick leave policy. In addition, benefits currently accrued by any state employees will not be altered in any way.



Last week in my State of the State Address, I shared my belief that government employees are among some of the most honest, hard working, dedicated, professional workers in this state. I sincerely believe that.

We all recognize that these are historic times that require us to rethink how government operates. I ask that we continue to work together to do what is necessary to bring the state's spending in line with our taxpayers' ability to pay.

Wisconsin's state employees are second to none in our nation. Our citizens expect great service, and you have delivered. I know you will continue to deliver top-notch programs for Wisconsin's taxpayers. Thank you again for your service to our state.

Sincerely,

Governor Scott Walker

## Downing, Karley - GOV

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**From:** Schrimpf, Chris - GOV  
**Sent:** Thursday, March 24, 2011 1:47 PM  
**To:** [REDACTED] Matejov, Scott - GOV  
**Subject:** Fw: (WisPolitics) ALERT! Appeals court asks Supreme Court to take up collective bargain suit -- 24 March 2011

Fyi: I'm sure this'll come up.

---

**From:** WisPolitics Staff [mailto:news@wispolitics.com]  
**Sent:** Thursday, March 24, 2011 01:40 PM  
**To:** Schrimpf, Chris - GOV  
**Subject:** (WisPolitics) ALERT! Appeals court asks Supreme Court to take up collective bargain suit -- 24 March 2011

### **WisPolitics ALERT!**

24 March 2011

Exclusively for WisPolitics Platinum Subscribers

*From WisPolitics.com ...*

**-- An appeals court today asked the state Supreme Court to directly take up a complaint alleging an open meetings law violation in how lawmakers approved the changes to collective bargaining.**

The 4th District Court of Appeals writes in its certification request that there are several questions arising from the complaint. They include whether striking down a legislative act for violating the open meetings law is allowed, and if so, can a court stop the secretary of state from publishing the act before it becomes law.

Read the certification request:

[http://wispolitics.com/1006/110324\\_Certification.pdf](http://wispolitics.com/1006/110324_Certification.pdf)

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## Downing, Karley - GOV

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**From:** Matejov, Scott - GOV  
**Sent:** Thursday, March 24, 2011 2:55 PM  
**To:** Schrimpf, Chris - GOV  
**Subject:** Re: (WisPolitics) ALERT! Appeals court asks Supreme Court to take up collective bargain suit -- 24 March 2011

He got questions on this and the sick leave stuff. He was asked about Barrett not wanting state interfering in local business but now wanting state to - he dodged taking a shot at Barrett and simply said however state can help municipalities/Wisconsin we will. All in all a good press event. Mick Trevey got what he needed.

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**From:** Schrimpf, Chris - GOV  
**Sent:** Thursday, March 24, 2011 01:46 PM  
**To:** Scott, Kevin - DOA; Matejov, Scott - GOV  
**Subject:** Fw: (WisPolitics) ALERT! Appeals court asks Supreme Court to take up collective bargain suit -- 24 March 2011

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## Downing, Karley - GOV

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**From:** Schrimpf, Chris - GOV  
**Sent:** Thursday, March 24, 2011 2:56 PM  
**To:** Matejov, Scott - GOV  
**Subject:** Re: (WisPolitics) ALERT! Appeals court asks Supreme Court to take up collective bargain suit -- 24 March 2011

Thanks for handling today

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**From:** Matejov, Scott - GOV  
**Sent:** Thursday, March 24, 2011 02:54 PM  
**To:** Schrimpf, Chris - GOV  
**Subject:** Re: (WisPolitics) ALERT! Appeals court asks Supreme Court to take up collective bargain suit -- 24 March 2011

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**From:** Schrimpf, Chris - GOV  
**Sent:** Thursday, March 24, 2011 01:46 PM  
**To:** [REDACTED] Matejov, Scott - GOV  
**Subject:** Fw: (WisPolitics) ALERT! Appeals court asks Supreme Court to take up collective bargain suit -- 24 March 2011

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**Sent:** Thursday, March 24, 2011 01:40 PM  
**To:** Schrimpf, Chris - GOV  
**Subject:** (WisPolitics) ALERT! Appeals court asks Supreme Court to take up collective bargain suit -- 24 March 2011

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## Downing, Karley - GOV

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**From:** Schrimpf, Chris - GOV  
**Sent:** Friday, February 11, 2011 9:22 AM  
**To:** [REDACTED]

FYI. I'm not sure if you're Christie story has run yet, but I thought you'd want to see this. I think Ohio is doing something similar now too.

# APNewsBreak: Gov. Walker proposes cutting most public employee bargaining rights in budget fix

By Scott Bauer

MADISON, Wis. (AP) - Gov. Scott Walker told The Associated Press in an exclusive interview Thursday that he will propose removing nearly all public employee collective bargaining rights to help plug a \$3.6 billion budget hole.

Walker, speaking from his Capitol office, said no one should be surprised by the move he will ask the Republican-controlled Legislature to approve next week given that he's talked about doing it for two months.

"This is not a shock," said Walker, a Republican who took office in January. "The shock would be if we didn't go forward with this."

But union leaders, and even some Republicans, were taken aback at the scope of his proposal.

"This is a shocking development," said Bryan Kennedy, president of AFT-Wisconsin, which represents 17,000 workers. "It ends collective bargaining for public employees in our state, after 50 years of management and workers solving problems together."

Democrats almost certainly will unite against the proposal but are powerless to stop it. Republicans control the Assembly 60-38-1 and the Senate 19-14.

"To say it's a power grab would be a huge understatement," said Assembly Minority Leader Peter Barca, D-Kenosha. "It's hard to believe he's even serious about this."

Walker said the changes are necessary to avoid up to 6,000 state employee layoffs and the removal of more than 200,000 children from the Medicaid program.

The state faces a \$137 million budget shortfall in the fiscal year that ends June 30. Walker said he will ask the Legislature on Friday to pass his plan next week in a special session. Walker will unveil his two-year budget plan to address the larger \$3.6 billion shortfall on Feb. 22.

Under Walker's immediate plan, all collective bargaining rights would be removed for state and local public employees starting July 1, except when it comes to wages. But any salary increase they seek could be no more than the consumer price index, unless voters in the jurisdiction affected approved a higher raise.

Contracts would be limited to one year and wages would be frozen until the next contract is settled. Public employers would be prohibited from collecting union dues and members of collective bargaining units would not be required to pay dues.

The proposal would effectively remove unions' right to negotiate in any meaningful way. Local law enforcement and fire employees, as well as state troopers and inspectors would be exempt.

Walker's plan also calls for state employees to contribute 5.8 percent of their salaries to their pensions starting April 1. They would have to contribute at least 12.6 percent toward their health care. Those two items would generate \$30 million by July 1 and roughly \$300 million over the next two years when combined with the other concessions.

Cuts that Walker said were "significantly more than the \$300 million we're saving" were coming for local governments and schools. He said removing bargaining rights of local government employees would allow more flexibility to deal with those cuts.

The governor declined to detail the exact amount of the cuts to local governments and schools. He said he met Thursday morning with state agency heads to outline his plans and, in his words, "prepare for the worst."

Walker insisted he was not targeting public employees and that his primary concern was balancing the budget. His bill also calls for selling off state heating plants to save money and refinancing state debt to save \$165 million in the fiscal year that ends June 30.

The bill also would give the Department of Health Services the power to make any changes to Medicaid it deems necessary to reduce costs, regardless of current law. Any changes it makes would only need approval of the Legislature's budget-writing committee.

Medicaid is projected to be \$153 million short by June 30.

"I got elected to deal with the problems we face in the state," Walker said. "The two biggest problems are the economy and the budget."

Still, going after collective bargaining rights in such a dramatic fashion will almost certainly set off a firestorm in the state Capitol, not just among workers but even Republicans reluctant to go as far as Walker wants. Walker had signaled since December this was the direction he was headed, but union leaders had urged him to negotiate with them.

Walker refused.

"This job-killing attack on public workers has nothing to do with bringing good jobs back to Wisconsin," said Marty Beil, executive director of the Wisconsin State Employees Union that represents 20,000 workers statewide.

The budget shouldn't be balanced on the backs of public employees, said state Sen. Jon Erpenbach, D-Waunakee.

"We still need dedicated public servants to do jobs," Erpenbach said. "You're talking about prison guards, you're talking about people changing bed pans. ... They're not the problem. Rather than drag people down, why not hold people up? I don't understand it."



Republican leaders in the Senate and Assembly issued statements supporting Walker's plan, but he still might find more trouble trying to convince enough others to get it passed.

Sen. Luther Olsen, R-Ripon, said he was surprised Walker went after unions as aggressively as he did.

"It's not what I thought he was going to do," said Olsen, adding he honestly didn't know how Republicans felt about it.

"They're still soaking it in," said Senate Majority Leader Scott Fitzgerald when asked if he thought Republicans would approve the plan as proposed.

Both he and his brother, Assembly Speaker Jeff Fitzgerald, R-Horicon, issued statements praising the plan saying it was necessary to balance the budget.

"We are out of money and the options are few," Jeff Fitzgerald said.

The right of private sector employees to be members of unions is governed by federal law, but state and local unions are covered by Wisconsin law. The right to collectively bargain over a broad array of issues, including salary and benefits, is granted under that law. Walker and the Legislature can add or remove negotiable issues by changing that law, the State Employment Labor Relations Act.

Other terms and conditions of work subject to bargaining that Walker would remove include hours and what shift employees work, other benefits like tuition reimbursement, life insurance, vacation and personal leave days, and computer policies, to name a few.

The ban on public employees striking would remain, Walker said.

The bill also would remove the right, granted under former Gov. Jim Doyle, for University of Wisconsin faculty and staff to form unions.

There's nothing stopping Walker from proposing a law change removing bargaining rights, said Paul Secunda, a Marquette University law professor who specializes in labor law.

"But unions and public unions are very strong in Wisconsin, but if he wants to take on that he's going to lose a lot of the support that got him here in the first place," Secunda said.

There are roughly 175,000 public sector employees — including state and local government workers and teachers — who are union represented in Wisconsin, according to data maintained by Georgia State University professor Barry Hirsch and Trinity University professor David Macpherson. Of those, roughly 39,000 are state employees and more than 106,000 are teachers.

Chris Schrimpf  
*Communications Director*  
*Office of the Governor*  
*Press Office: 608-267-7303*  
*Email: [chris.schrimpf@wisconsin.gov](mailto:chris.schrimpf@wisconsin.gov)*

## Downing, Karley - GOV

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**From:** Schrimpf, Chris - GOV  
**Sent:** Friday, February 11, 2011 7:45 AM  
**To:** [REDACTED]  
**Subject:** RE: Gov Walker

Wanted to make sure you saw this

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By Scott Bauer

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But union leaders, and even some Republicans, were taken aback at the scope of his proposal.

"This is a shocking development," said Bryan Kennedy, president of AFT-Wisconsin, which represents 17,000 workers. "It ends collective bargaining for public employees in our state, after 50 years of management and workers solving problems together."

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**From:** Schrimpf, Chris - GOV  
**Sent:** Friday, February 04, 2011 8:16 AM  
**To:** [REDACTED]  
**Subject:** Gov Walker

Kim – Was wondering if you had given more thought to the weekend interview with Governor Walker. I would recommend this month, I think we have a good chance of making some big news with our budget and potential budget repair bills both coming soon.

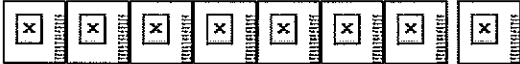
Chris Schrimpf  
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## Downing, Karley - GOV

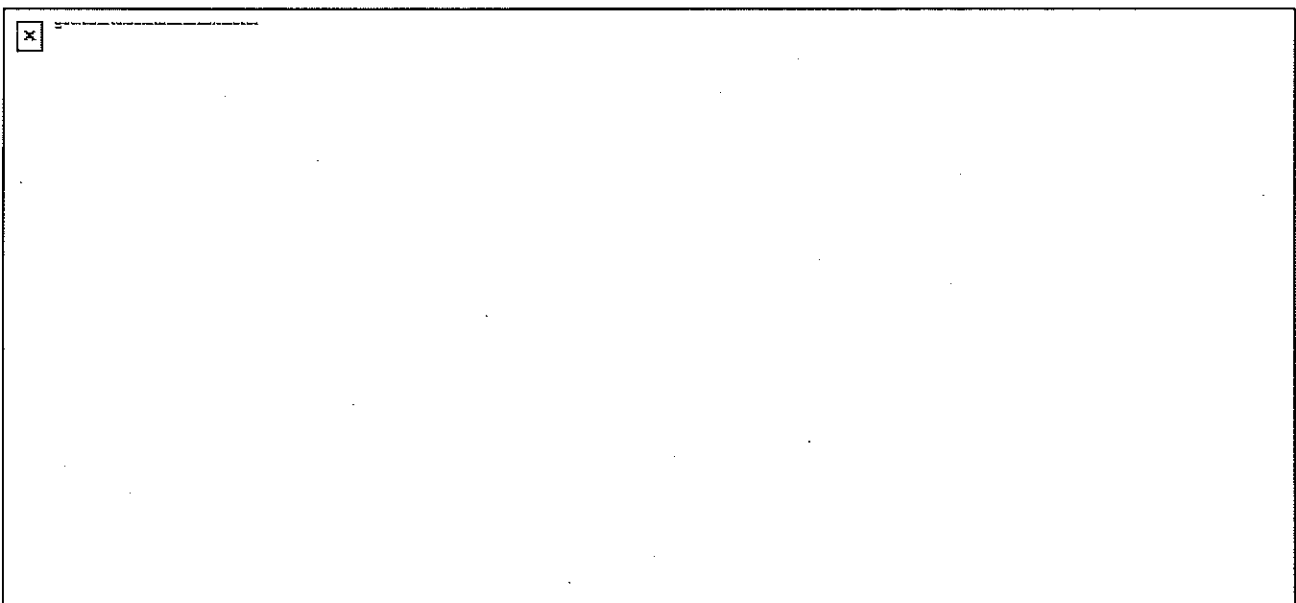
---

**From:** Wisconsin Counties Association <[REDACTED]>  
**Sent:** Thursday, February 10, 2011 11:13 PM  
**To:** Schrimpf, Chris - GOV  
**Subject:** Important Budget Adjustment Update from WCA 2.10.2011

Having trouble viewing this email? [Click here](#)



Important State Budget Adjustment Update  
2.10.2011



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### ***Breaking News: Important State Budget Adjustment Update***


#### **WCA; Local Government Groups Receive Invitation- Only State Budget Adjustment Briefing from Governor Walker**

**February 10, 2011**-At a briefing earlier this evening on the Governor's budget adjustment bill, a dozen representatives of local government groups were invited into the Governor's conference room to hear an advance summary of the proposal delivered personally by Governor Walker. The briefing was by invitation only.

No documents were provided, but Governor Walker summarized major points of the budget adjustment bill for the group and responded to all the group's questions. Also present and available were senior gubernatorial staff, the state's DOA Secretary, the budget director, and the deputy budget director. Below please find a report from the Wisconsin Counties Association on this high-level meeting.

For additional questions, please contact WCA Legislative Director John Reinemann at 866.404.2700 or via email at [jreinemann@wicounties.org](mailto:jreinemann@wicounties.org).

#### **In This Issue**

 Details of February 10, 2011  
Gubernatorial Update

#### **Mark Your Calendars for Upcoming WCA Regional Legislative Meetings for Budget Updates**

Every two years WCA holds regional legislative meetings. The upcoming meetings will discuss the state budget, as well as other legislative news.

To see a full calendar, complete with dates and locations, [click here](#).

# Details of Gubernatorial Update Earlier Tonight on the Budget Adjustment Bill

**February 10, 2011**-At tonight's briefing Governor Walker said that he was sharing the broad outlines of his budget adjustment proposal with local governments because he views us as partners.

The Governor stated his intention to provide local governments with the tools that will allow us to match savings with the cuts that will very likely be made in local aids in the upcoming 2011-2013 budget.

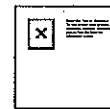
- The budget adjustment bill contains no cuts to local aids.
- The budget adjustment bill will include changes to WRS and to health care payments by employees. Neither the terms of WRS participation nor health care will be bargainable; they will, we believe, become prohibited subjects of collective bargaining.
- The budget adjustment bill includes a requirement that employee contributions to WRS will be set at 5.8% for non-protective employees. The changes would take effect April 1, 2011.
- The bill also includes freedom for local government employers to mandate changes in health coverage plans that would generate savings; the Governor's goal is a 12.5% savings in health care contributions.
- Under the budget adjustment bill, increases in wages will be limited to increases in CPI. Larger increases could only be achieved upon approval by referendum. We believe this places hourly wages as a mandatory subject of bargaining, up to the threshold of CPI.
- Under the proposal, only hourly pay is bargainable. Lanes, steps, scales, and overtime would no longer be mandatory subjects of collective bargaining. The effect of this proposal would be to allow freezes in these areas.
- While we need to analyze the bill, it is our understanding that under the proposal, the only mandatory subject of collective bargaining would be wages, and only up to the threshold of CPI.
- However, it remains unclear if there is to be any change in the rules regarding non-economic terms within contracts, such as sick leave, vacation, etc.
- A major exception to these provisions are protective employees: police and fire employees. Included in the exception (and thus unaffected by the proposal) would be Sheriff staff. Corrections employees are apparently to be included in the proposal.
- Under the budget adjustment bill, "fair share" (required union dues payments) would be eliminated. We also anticipate further provisions in the bill affecting representation, including perhaps eliminations of required union memberships, requirements for annual certification votes, and similar measures.
- Current contracts will not be abrogated by the bill. However, passage of the bill could create pressure to reopen existing contracts.
- It was indicated that other reforms would follow in the biennial budget bill on February 22, 2011.

WCA staff and Andy Phillips, WCA general counsel, will review the proposal as more information becomes available. We will share whatever information and analysis we can, as soon as we can, with county government officials.

## Forward email

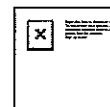


This email was sent to [chris.schrimpf@wisconsin.gov](mailto:chris.schrimpf@wisconsin.gov) by [mail@wicounties.org](mailto:mail@wicounties.org) | [Update Profile/Email Address](#) | Instant removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).  
Wisconsin Counties Association | 22 East Mifflin Street, Suite 900 | Madison | WI | 53703



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## Mohr, Mark - GOV

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**From:** Schutt, Eric - GOV  
**Sent:** Thursday, February 10, 2011 8:36 PM  
**To:** [REDACTED] Schimpf, Chris - GOV  
**Cc:** Werwie, Cullen J - GOV; Gilkes, Keith - GOV; Murray, Ryan M - GOV  
**Subject:** RE: State Journal: Walker will propose stripping collective bargaining rights from state workers

For what it's worth, I talked to him about this when I stepped out of the meeting. He told me that this answer was in response to a question asking for any handouts that we provided members and that they took it out of context.

Eric A. Schutt  
Deputy Chief of Staff  
Office of the Governor  
Main: (608) 266-1212  
E-mail: [Eric.Schutt@wisconsin.gov](mailto:Eric.Schutt@wisconsin.gov)

---

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**Subject:** Re: State Journal: Walker will propose stripping collective bargaining rights from state workers

Scott F says we are using #s off the top of my head. Then maybe he should read the DOA document.

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**From:** Schimpf, Chris - GOV  
**Sent:** Thursday, February 10, 2011 07:01 PM  
**To:** [REDACTED]  
**Cc:** Werwie, Cullen J - GOV; Schutt, Eric - GOV; Gilkes, Keith - GOV; Murray, Ryan M - GOV  
**Subject:** State Journal: Walker will propose stripping collective bargaining rights from state workers

# Walker will propose stripping collective bargaining rights from state workers

MARY SPICUZZA and CLAY BARBOUR | Wisconsin State Journal madison.com | [\(30\) Comments](#) | Posted: Thursday, February 10, 2011 5:45 pm

Gov. Scott Walker will seek to eliminate almost all collective bargaining rights of state and local public workers as part of his plan for fixing Wisconsin's budget deficit, a move one Democratic leader called an "assault on workers in the state."

In comments to the Associated Press, Walker said no one should be surprised by the move, aimed at closing the state's more than \$130 million budget hole for this fiscal year and a projected \$3.6 billion deficit over the next two years.

"This is not a shock," said Walker, a Republican who took office in January. "The shock would be if we didn't go forward with this."



The governor will propose limiting labor negotiations for state and local public workers to salaries only, eliminating collective bargaining rights for other areas like benefits and pensions.

Walker shared details of the plan with Republican lawmakers in a closed caucus Thursday.

"The state's broke, and it's going to be ugly," Sen. Luther Olsen, R-Ripon, said Thursday evening after the meeting with the governor.

Republican lawmakers mostly remained silent about Walker's plans, but labor unions and Democrats decried the move.

"This is a shocking development," AFT-Wisconsin President Bryan Kennedy said. "It ends collective bargaining for public employees in our state, after 50 years of management and workers solving problems together."

Kennedy, whose union represents about 17,000 public employees, said he was surprised that after little more than a month in office Walker is calling the system broken when "he has yet to sit down with workers" at the bargaining table. He predicted rampant job losses throughout the state as a result.

Assembly Minority Leader Peter Barca, D-Kenosha, said the move was "unprecedented" and called on Walker to sit across the table from workers and "look them in the eye" in labor negotiations.

But Brian Fraley, spokesman for the conservative John K. MacIver Institute for Public Policy, said the governor's plan was expected.

"You can't balance the budget without dealing with labor costs," Fraley said. "We are in a financial crisis, so this only makes sense."

The MacIver Institute has long argued that Wisconsin should become a right-to-work state. Currently there are 22 right-to-work states, in which it is illegal to force a person to join a union as a requirement of employment.

A law professor said the move would be "hugely unpopular." Unlike private unions, which are governed by federal labor laws, public employee unions derive their authority from state law, which the Legislature can change at any time.

"He can do that, technically speaking," Paul Secunda, an associate professor of law at Marquette University Law School, said of Walker's plan to strip the unions of most of their collective bargaining power. "Is it a popular move? No. Is it in step with labor rights around the world? No."

Senate Majority Leader Scott Fitzgerald, R-Juneau, said Republicans are still reviewing the details of the plans.

"The one thing I'm waiting for is the (Legislative) Fiscal Bureau to actually show us the numbers and work through it," Fitzgerald said. "Because what we are working off of now is the governor speaking off the top of his head."

*The Associated Press contributed to this report.*

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Communications Director

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Email: [chris.schrimpf@wisconsin.gov](mailto:chris.schrimpf@wisconsin.gov)*

## Downing, Karley - GOV

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**From:** [REDACTED]  
**Sent:** Thursday, February 10, 2011 8:35 PM  
**To:** Schimpf, Chris - GOV  
**Cc:** Werwie, Cullen J - GOV; Schutt, Eric - GOV; Gilkes, Keith - GOV; Murray, Ryan M - GOV  
**Subject:** Re: State Journal: Walker will propose stripping collective bargaining rights from state workers

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## Downing, Karley - GOV

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**From:** Schrimpf, Chris - GOV  
**Sent:** Thursday, February 10, 2011 7:02 PM  
**To:** [REDACTED]  
**Cc:** Werwie, Cullen J - GOV; Schutt, Eric - GOV; Keith.Gilkes@wi.gov; Murray, Ryan M - GOV  
**Subject:** State Journal: Walker will propose stripping collective bargaining rights from state workers

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## Downing, Karley - GOV

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**From:** Schrimpf, Chris - GOV  
**Sent:** Thursday, February 10, 2011 6:21 PM  
**To:** [REDACTED]  
**Cc:** Keith.Gilkes@wi.gov; Murray, Ryan M - GOV; Schutt, Eric - GOV; Werwie, Cullen J - GOV  
**Subject:** Initial AP Writeup

Underneath is the Journal-Sentinels first writeup. The AP's story will get longer.

APNewsBreak: Walker to strip most union rights  
By SCOTT BAUER , 02.10.11, 07:02 PM EST

MADISON, Wis. -- Gov. Scott Walker told The Associated Press in an exclusive interview Thursday that he will propose removing nearly all public employee collective bargaining rights to help plug a \$3.6 billion budget hole.

Walker, speaking from his Capitol office, said no one should be surprised by the move he is asking the Republican-controlled Legislature to pass next week given that he'd talked about doing it for two months.

"This is not a shock," said Walker, a Republican who took office in January. "The shock would be if we didn't go forward with this."

The cuts are necessary to avoid up to 6,000 state employee layoffs and the removal of more than 200,000 children from the Medicaid program, he said.

The state faces a \$137 million budget shortfall in the fiscal year that ends June 30. Walker said he will call a special session of the Legislature on Friday and ask them to pass his plan next week. Walker will unveil his two-year budget plan to address the larger \$3.6 billion shortfall on Feb. 22.

Going after collective bargaining rights in such a dramatic fashion will almost certainly set off a firestorm in the state Capitol, not just among the workers but even Republicans who will be reluctant to go as far as Walker wants. Walker, a Republican who took office in January, had signaled since December this was the direction he was headed, but union leaders had urged him to negotiate with them.

Walker refused.

"This is a shocking development," said Bryan Kennedy, president of AFT-Wisconsin which represents 17,000 workers. "It ends collective bargaining for public employees in our state, after 50 years of management and workers solving problems together."

With no job protections, "This will lead to rampant public and private sector job loss and will take a devastating toll on local communities throughout our state," Kennedy said.

Democrats will almost certainly unite against the proposal but they are powerless to stop it. Republicans control the Assembly 60-38-1 and the Senate 19-14.

"To say it's a power grab would be a huge understatement," said Assembly Minority Leader Peter Barca, D-Kenosha. "It's hard to believe he's even serious about this."

The budget shouldn't be balanced on the backs of public employees, said state Sen. Jon Erpenbach, D-Waunakee.

"We still need dedicated public servants to do jobs," Erpenbach said. "You're talking about prison guards, you're talking about people changing bed pans. ... They're not the problem. Rather than drag people down, why not hold people up? I don't understand it."

Republican leaders in the Senate and Assembly issued statement supporting Walker's plan, but he might find more trouble trying to convince enough others to get it passed.

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His brother, Assembly Speaker Jeff Fitzgerald, R-Horicon, made similar comments.

"We are out of money and the options are few," Jeff Fitzgerald said in a statement. "We can either raise taxes, which is absolutely off the table, reduce spending or lay off workers. Gov. Walker is asking nothing more from state employees than what the rest of Wisconsin families have been doing already, tightening their belts and sharing some of the burden."

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## Walker would limit state unions to negotiating only on salaries

e-mail

• *print*

*By Jason Stein and Patrick Marley of the Journal Sentinel*

Updated: Feb. 10, 2011 4:25 p.m. (239) COMMENTS

**Madison** — Gov. Scott Walker's budget repair bill to be unveiled Friday would wipe away the ability of public worker unions to negotiate over anything but their wages.

That would mean unions would not have a say on benefits and work rules. The bill would also allow public employees to avoid making payments to unions if they don't join those unions. Now, workers can choose not to join unions, but they must make "fair share" payments similar to dues - a requirement that unions say is needed because all workers potentially benefit from their work at the bargaining table.

Walker's staff declined Thursday to discuss the union changes, saying he would announce details of the bill Friday.

The state faces a \$137 million budget shortfall this fiscal year ending June 30.

"We're in a fiscal crisis and the governor is going to work with the Legislature to repair it," spokesman Cullen Werwie said.

Democrats denounced the plan and said the Republican governor was "declaring war" on labor.

"These are dedicated public servants who work really hard at what they do," Sen. Jon Erpenbach (D-Middleton) said. "You can't just take all that experience and flush it down the toilet."

Walker has said repeatedly he wants state workers to put 5% of their pay toward their pensions and pick up 12% of the cost of their health-care premiums to bring public sector benefits more in line with the private sector.

Republican reaction to Walker's plans was mixed. Sen. Alberta Darling (R-River Hills), co-chairwoman of the budget-writing Joint Finance Committee, said she supports Walker's plans.

"We have to have a transformation in this state," she said. "And if we don't do it now, we're never going to get control of labor costs."

Republicans control both houses, but the plan could still be tough to pass through the Legislature. Senate Majority Leader Scott Fitzgerald said it was too early to say whether the plan could pass his house. He said Republican senators had a "lot of good questions" for Walker's team.

"The concept is pretty radical," said Sen. Luther Olsen (R-Ripon). "It affects a lot of good working people."

Olsen said he could support the changes on pensions and health care, but had reservations about taking away other bargaining rights.

Sen. Glenn Grothman (R-West Bend) said he would have like to see an even bolder plan.

"It's about time. It's not as far I'd go, but it's about time," he said.

Sen. Randy Hopper (R-Fond du Lac) and Sen. Dale Schultz (R-Richland Center) both declined to say whether they supported the proposal. "Concepts are one thing. I like to see the (bill) language," Schultz said.

Walker and his staff met with Republicans behind closed doors Thursday to discuss the budget plan. The proposal has not yet been formally introduced and could undergo changes as lawmakers weigh in with Walker.

One issue still being worked out is whether the bill will be introduced in a special session, which is called by the governor, or an extraordinary session, which is called by lawmakers. That element could be significant because legislative leaders would have to sign off on details before introducing a bill in an extraordinary session.

The state faces an even larger \$3.6 billion deficit in the next 2011-'13 budget that begins on July 1. Democrats have criticized Walker for adding to that problem in recent weeks by passing \$117 million in tax cuts aimed at boosting the economy and holding down the price of health care. The tax cuts received support from Republicans and some Democrats.

Walker's proposal on unions would affect state workers in both the districts of both Democratic and Republican lawmakers.

Assembly Speaker Jeff Fitzgerald (R-Horicon) and brother Scott Fitzgerald, for instance, have three prisons in or near their districts - Dodge Correctional Institution, Fox Lake Correctional Institution and Waupun Correctional Institution. Those institutions have large numbers of union guards and other workers.



Unlike unions of private-sector workers, which are governed by federal law, state and local unions in Wisconsin are largely governed by two 40-year-old state laws, said Peter Davis, general counsel for the Wisconsin Employment Relations Commission. State unions are covered under the State Employment Labor Relations Act and school and local government unions are covered under the Municipal Employment Relations Act.

That means Republican lawmakers and Walker can change state law so that unions could no longer negotiate over health or pension benefits or so that arbitrators would be less likely to rule in favor of unions during contract disputes.

Current law requires public employers to bargain with unions over a range of issues including wages, benefits, procedures for disciplining employees, and decisions on whether to subcontract work done by union members, Davis said. Public unions can also reach arrangements where all employees in a given workplace - even those who aren't union members - are required to pay union dues. Non-union members can still ask for the portion of their dues to be returned to them rather than spent on the union's political activities.

Changing the law would allow the Walker administration to impose cuts in employee benefits to help balance the budget. Asking public employees to pay just over 5% of their salary toward their pensions and 12% of their health insurance premiums would save the state more than \$30 million over three months, he said in his recent "state of the state" speech.

Walker has repeatedly said he wants to lower public worker benefits to bring them in line with those in private companies. A study released Thursday by a Washington, D.C., think tank confirmed that public workers in Wisconsin have more costly benefits than private-sector workers but also found that their total compensation was less than that of similar private workers.

The study relied on data from the U.S. Census Bureau and the U.S. Department of Labor and was done for the Economic Policy Institute, which focuses on the interests of poor and middle-class workers and which receives part of its funding from unions. The study found that public-sector workers in the state are twice as likely to have a college degree compared to private-sector workers.

After accounting for a range of factors including education, experience and the number of hours worked, the study found public-sector workers made about 4.8% less than workers in private companies.

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*Office of the Governor*  
*Press Office: 608-267-7303*  
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## Downing, Karley - GOV

---

**From:** Bauer, Scott <sbauer@ap.org>  
**Sent:** Thursday, February 10, 2011 6:06 PM  
**To:** Schrimpf, Chris - GOV  
**Subject:** more coming

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¶ Walker, speaking from his Capitol office, said no one should be surprised by the move he is asking the Republican-controlled Legislature to pass next week given that he'd talked about doing it for two months.

¶ "This is not a shock," said Walker, a Republican who took office in January. "The shock would be if we didn't go forward with this."

¶ The cuts are necessary to avoid up to 6,000 state employee layoffs and the removal of more than 200,000 children from the Medicaid program, he said.

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Scott Bauer  
Associated Press  
P.O. Box 962  
Madison, Wis. 53701



## Downing, Karley - GOV

---

**From:** Bauer, Scott <sbauer@ap.org>  
**Sent:** Thursday, February 10, 2011 5:57 PM  
**To:** Schrimpf, Chris - GOV  
**Subject:** RE: FYI

Gotcha. Will make that clear in longer version

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**From:** Schrimpf, Chris - GOV [<mailto:Chris.Schrimpf@wisconsin.gov>]  
**Sent:** Thursday, February 10, 2011 5:56 PM  
**To:** Bauer, Scott  
**Subject:** Re: FYI

On the 1500 number he also mentioned 5000-6000 for the biennium

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**From:** Bauer, Scott [<mailto:sbauer@ap.org>]  
**Sent:** Thursday, February 10, 2011 05:53 PM  
**To:** Schrimpf, Chris - GOV  
**Subject:** RE: FYI

Short version, more coming:

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- ¶ Walker told The Associated Press on Thursday that no one should be surprised by the move that he is asking the Republican-controlled Legislature to approve next week given that he'd talked about doing it for two months.
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**From:** Schrimpf, Chris - GOV [<mailto:Chris.Schrimpf@wisconsin.gov>]  
**Sent:** Thursday, February 10, 2011 5:45 PM  
**To:** Bauer, Scott  
**Subject:** RE: FYI

Can you shoot over what you filed so we don't have to wait for someone to post online?

Chris Schrimpf  
*Communications Director*  
*Office of the Governor*  
*Press Office: 608-267-7303*  
*Email: [chris.schrimpf@wisconsin.gov](mailto:chris.schrimpf@wisconsin.gov)*

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**From:** Bauer, Scott [<mailto:sbauer@ap.org>]  
**Sent:** Thursday, February 10, 2011 5:41 PM  
**To:** Schrimpf, Chris - GOV; Werwie, Cullen J - GOV  
**Subject:** RE: FYI

The sooner the gooder

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Scott Bauer  
Associated Press  
P.O. Box 962  
Madison, Wis. 53701  


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## Downing, Karley - GOV

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**From:** Schrimpf, Chris - GOV  
**Sent:** Thursday, February 10, 2011 5:56 PM  
**To:** Associated Press, Scott Bauer  
**Subject:** Re: FYI

On the 1500 number he also mentioned 5000-6000 for the biennium

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**From:** Bauer, Scott [<mailto:sbauer@ap.org>]  
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*Office of the Governor*  
*Press Office: 608-267-7303*  
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608-255-3679 (p)  
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I know, but just wanted to let you know all the details are out there now.

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¶ Walker refused.

¶ "This is a shocking development," said Bryan Kennedy, president of AFT-Wisconsin which represents 17,000 workers. "It ends collective bargaining for public employees in our state, after 50 years of management and workers solving problems together."

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¶ The Republican governor also will refinance state debt to save \$165 million in the current fiscal year that ends June 30, the person said.

¶ The state faces a \$137 million budget shortfall in the fiscal year that ends June 30. Walker wants lawmakers to pass a bill as soon as next week to fix that problem. Walker will unveil his two-year budget plan to address the larger \$3.6 billion shortfall on Feb. 22.

¶ The person did not go into further details Thursday about Walker's proposal. Walker spokesman Cullen Werwie declined to comment, saying the governor would release details of his plan Friday.

¶ Walker, who took office in January, has been very public about his desire to seek deep concessions from state workers. He has said state public employees should be forced to pay 5 percent of their salary toward their pension and increase their share of health insurance costs up to 12 percent. Currently, most workers don't contribute anything to their pensions and pay between 4 percent and 6 percent of their health insurance costs.

¶ Still, going after collective bargaining rights in such dramatic fashion will almost certainly set off a firestorm in the state Capitol, not just among the workers but even Republicans who will be reluctant to go as far as Walker wants. Walker has signaled since December this was the direction he was headed, but union leaders had urged him to negotiate with them.

¶ Walker refused.

¶ "This is a shocking development," said Bryan Kennedy, president of AFT-Wisconsin which represents 17,000 workers. "It ends collective bargaining for public employees in our state, after 50 years of management and workers solving problems together."

¶ Kennedy said that not having job protections would "lead to rampant public and private sector job loss and will take a devastating toll on local communities throughout our state."

¶ Democrats will almost certainly unite against the proposal but are powerless to stop it. Republicans control the Assembly 60-38-1 and the Senate 19-14.

¶ The budget shouldn't be balanced on the backs of public employees, said state Sen. Jon Erpenbach, D-Waunakee.

¶ "We still need dedicated public servants to do jobs," Erpenbach said. "You're talking about prison guards, you're talking about people changing bed pans. ... They're not the problem. Rather than drag people down, why not hold people up? I don't understand it."

¶ The right of private sector employees to be members of unions is governed by federal law, but state and local unions are covered by Wisconsin law. The right to collectively bargain a broad array of issues, including salary and benefits, is granted under that law. Walker and the Republican-controlled Legislature can add or remove negotiable issues by changing that law, the State Employment Labor Relations Act.

¶ Other terms and conditions of work subject to bargaining include hours and what shift they work, other benefits like tuition reimbursement, life insurance, vacation and personal leave days, and computer policies, to name a few.

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¶ "But unions and public unions are very strong in Wisconsin, but if he wants to take on that he's going to lose a lot of the support that got him here in the first place," Secunda said.

¶ Walker's proposal could be a ploy to get the more limited, but still significant, concessions from the unions over health care and pension contributions, Secunda said.

¶ "That's still pretty huge," he said. "These days pension and health care can make up 30 percent of a person's compensation."

¶ There are roughly 175,000 public sector employees \_ including state and local government workers and teachers \_ who are union represented in Wisconsin, according to data maintained by Georgia State University professor Barry Hirsch and Trinity University professor David Macpherson. Of those, roughly 39,000 are state employees and more than 106,000 are teachers.

---

**From:** Schrimpf, Chris - GOV [mailto:Chris.Schrimpf@wisconsin.gov]  
**Sent:** Thursday, February 10, 2011 5:45 PM  
**To:** Bauer, Scott  
**Subject:** RE: FYI

Can you shoot over what you filed so we don't have to wait for someone to post online?

Chris Schrimpf  
*Communications Director*  
*Office of the Governor*  
*Press Office: 608-267-7303*  
*Email: chris.schrimpf@wisconsin.gov*

---

**From:** Bauer, Scott [mailto:sbauer@ap.org]  
**Sent:** Thursday, February 10, 2011 5:41 PM  
**To:** Schrimpf, Chris - GOV; Werwie, Cullen J - GOV  
**Subject:** RE: FYI

The sooner the gooder

---


**From:** Schrimpf, Chris - GOV [mailto:Chris.Schrimpf@wisconsin.gov]  
**Sent:** Thursday, February 10, 2011 5:39 PM  
**To:** Bauer, Scott; Werwie, Cullen J - GOV  
**Subject:** Re: FYI

I think he's almost done with the assembly. Cullen will email the ok when they're leaving

---

**From:** Bauer, Scott [mailto:sbauer@ap.org]  
**Sent:** Thursday, February 10, 2011 05:37 PM  
**To:** Werwie, Cullen J - GOV; Schrimpf, Chris - GOV  
**Subject:** FYI

The press corps has the handout. Can we move with the Walker stuff now?

Scott Bauer  
Associated Press  
P.O. Box 962  
Madison, Wis. 53701  


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## Downing, Karley - GOV

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**From:** Schrimpf, Chris - GOV  
**Sent:** Thursday, February 10, 2011 5:48 PM  
**To:** Associated Press, Scott Bauer  
**Subject:** RE: FYI

Yeah this I've seen

Chris Schrimpf  
*Communications Director*  
*Office of the Governor*  
*Press Office: 608-267-7303*  
*Email: [chris.schrimpf@wisconsin.gov](mailto:chris.schrimpf@wisconsin.gov)*

---

**From:** Bauer, Scott [mailto:[sbauer@ap.org](mailto:sbauer@ap.org)]  
**Sent:** Thursday, February 10, 2011 5:46 PM  
**To:** Schrimpf, Chris - GOV  
**Subject:** RE: FYI

Here's the early version, one with your guy coming soon

¶ MADISON, Wis. (AP) \_ Gov. Scott Walker will propose removing nearly all public employee collective bargaining rights to help plug a \$3.6 billion budget hole, a Republican briefed on the governor's plan told The Associated Press on Thursday.

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[REDACTED]  
[REDACTED]

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## Downing, Karley - GOV

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**From:** Schrimpf, Chris - GOV  
**Sent:** Thursday, February 10, 2011 5:30 PM  
**To:** Schutt, Eric - GOV; Murray, Ryan M - GOV; Werwie, Cullen J - GOV; Gilkes, Keith - GOV

Republicans control both houses, but the plan could still be tough to pass through the Legislature. Senate Majority Leader Scott Fitzgerald said it was too early to say whether the plan could pass his house. He said Republican senators had a "lot of good questions" for Walker's team.

"The concept is pretty radical," said Sen. Luther Olsen (R-Ripon). "It affects a lot of good working people."

Olsen said he could support the changes on pensions and health care, but had reservations about taking away other bargaining rights.

Sen. Glenn Grothman (R-West Bend) said he would have like to see an even bolder plan.

"It's about time. It's not as far I'd go, but it's about time," he said.

Sen. Randy Hopper (R-Fond du Lac) and Sen. Dale Schultz (R-Richland Center) both declined to say whether they supported the proposal. "Concepts are one thing. I like to see the (bill) language," Schultz said.

Walker and his staff met with Republicans behind closed doors Thursday to discuss the budget plan. The proposal has not yet been formally introduced and could undergo changes as lawmakers weigh in with Walker.

One issue still being worked out is whether the bill will be introduced in a special session, which is called by the governor, or an extraordinary session, which is called by lawmakers. That element could be significant because legislative leaders would have to sign off on details before introducing a bill in an extraordinary session.

The state faces an even larger \$3.6 billion deficit in the next 2011-'13 budget that begins on July 1. Democrats have criticized Walker for adding to that problem in recent weeks by passing \$117 million in tax cuts aimed at boosting the economy and holding down the price of health care. The tax cuts received support from Republicans and some Democrats.

Walker's proposal on unions would affect state workers in both the districts of both Democratic and Republican lawmakers.

Assembly Speaker Jeff Fitzgerald (R-Horicon) and brother Scott Fitzgerald, for instance, have three prisons in or near their districts - Dodge Correctional Institution, Fox Lake Correctional Institution and Waupun Correctional Institution. Those institutions have large numbers of union guards and other workers.

Chris Schrimpf  
*Communications Director*  
*Office of the Governor*  
*Press Office: 608-267-7303*  
*Email: [chris.schrimpf@wisconsin.gov](mailto:chris.schrimpf@wisconsin.gov)*



## Mohr, Mark - GOV

---

**From:** Archer, Cynthia - DOA  
**Sent:** Sunday, February 13, 2011 12:19 PM  
**To:** Murray, Ryan M - GOV; Schrimpf, Chris - GOV; Huebsch, Mike - DOA; Schutt, Eric - GOV; Gilkes, Keith - GOV; Jensen, Jodi - DOA  
**Cc:** Gracz, Greg L - OSER; Hayes, Brian - DOA; Jensen, Jodi - DOA; Schmiedicke, David P - DOA  
**Subject:** RE: Draft of Legislative Email

Budget needs to verify your facts. You may want to hold until you see the new civil service piece Jessica is working on after we talked over the weekend. she will have some things that make our point more clear regarding some concerns legislators have raised.

---

**From:** Murray, Ryan M - GOV  
**Sent:** Saturday, February 12, 2011 7:53 PM  
**To:** Schrimpf, Chris - GOV; Huebsch, Mike - DOA; Schutt, Eric - GOV; Gilkes, Keith - GOV; Archer, Cynthia - DOA; Jensen, Jodi - DOA  
**Subject:** Draft of Legislative Email

Given that AFSCME and WEAC are planning emergency lobby days for Tuesday and Wednesday, I wanted to provide as much information and argument as possible for Republican legislators and staff. Attached please find my first draft. It's similar to the document I prepared for the caucuses, but I added some different Q&A and changed some of the answers.

Please let me know if you want to make any changes prior to Monday morning. We plan to send it out around 9am.

Thanks,

**Ryan Murray**  
*Director of Policy and Legislative Affairs*  
*Office of the Governor*  
*Main: 608-266-1212*  
*Email: r.murray@wisconsin.gov*

## Downing, Karley - GOV

---

**From:** Werwie, Cullen J - GOV  
**Sent:** Sunday, February 13, 2011 9:45 AM  
**To:** Gilkes, Keith - GOV; Murray, Ryan M - GOV; Schrimpf, Chris - GOV; [REDACTED]  
**Subject:** Rally @ Gov's residence today

FYI—

### Cullen Werwie

*Press Secretary*

*Office of Governor Scott Walker*

*Press Office: (608) 267-7303*

*Email: [Cullen.Werwie@WI.Gov](mailto:Cullen.Werwie@WI.Gov)*



[www.walker.wi.gov](http://www.walker.wi.gov)

---

**From:** Tubbs, Charles A - DOA  
**Sent:** Sunday, February 13, 2011 9:44 AM  
**To:** Archer, Cynthia - DOA; Jensen, Jodi - DOA; Werwie, Cullen J - GOV  
**Subject:** FW: Info on upcoming events

**Charles A. Tubbs Sr.**  
**Chief of Police**  
**Wisconsin Capitol Police**  
**State Capitol**  
**Room B2 North**  
**2 East Main Street**  
**Madison, WI 53702**  
**Office [REDACTED] Fax [REDACTED]**  
**E-mail [charles.tubbs@wisconsin.gov](mailto:charles.tubbs@wisconsin.gov)**

Founded Wisconsin

About RALLY AND BUS INFORMATION

\*Madison--

Sunday, Feb. 13--11:00 a.m. - 1:00 p.m.

Description PICKET THE GOVERNOR'S MANSION

99 Cambridge Rd (take Sherman Ave to Lakewood Blvd to Cambridge Rd)

NO to the Budget Repair Bill! HANDS OFF State Labor Laws! STOP THE ATTACKS on Pul

## **Mohr, Mark - GOV**

---

**From:** Murray, Ryan M - GOV  
**Sent:** Saturday, February 12, 2011 7:54 PM  
**To:** Schimpf, Chris - GOV; Huebsch, Mike - DOA; Schutt, Eric - GOV; Gilkes, Keith - GOV; Archer, Cynthia - DOA; Jensen, Jodi - DOA  
**Subject:** Draft of Legislative Email  
**Attachments:** Legislative Talking Points.doc

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Thanks,

**Ryan Murray**

*Director of Policy and Legislative Affairs*

*Office of the Governor*

*Main: 608-266-1212*

*Email: r.murray@wisconsin.gov*

Dear Legislators and Legislative Staff:

Several of Wisconsin's public employee unions have organized emergency lobby days this week against the Governor's Budget Repair Bill. Scheduling information can be found on their websites including WEAC and AFSCME.

As you prepare for constituent contacts both for and against the Governor's Budget Repair Bill, we thought it might be helpful to provide you with some facts and answer some frequently asked questions:

### Facts and Figures

---

- The average Wisconsin state employee compensation (salary and fringe benefits) in 2010-11 was **\$76,500**. (Source: Fiscal Bureau memo, 1/10/11)
- Employee salary and fringe benefits comprises more than **60%** of state government GPR operations costs. (Source: State Budget Office)
- The average Wisconsin teacher compensation (salary and fringe benefits) in 2009-10 was **\$74,844**. (Source: Department of Public Instruction website)
- Employee salary and fringe benefits comprise **75%** of total school district expenditures statewide. (Source: State Budget Office)
- Wisconsin taxpayers pay over **\$1 billion** per year for state government employee health insurance, more than double what was paid only 10 years ago. The employees themselves pay only **6%** of that amount. (Source: Department of Employee Trust Funds)
- State and local governments combined paid more than **\$1.3 billion** in contributions to the Wisconsin Retirement System in 2009. Employees contributed only **0.6%** of this amount. (Source: Legislative Fiscal Bureau Informational Paper 84)
- Over the last ten years, all 75 state employee contracts have been signed after the previous contracts had expired. Contracts were signed, on average, **15 months late** even though they all contained compensation increases. (Source: Office of State Employment Relations)
- In part to address an appropriate shortfall in Wisconsin Medical Assistance programs, the Budget Repair Bill contains more than \$30 million in GPR savings over a three month period by requiring state employees to contribute to their pension and health care benefits. Realizing these savings within MA programs themselves would require:
  - Eliminating services for **194,539 children**; or
  - Eliminating services for 92,599 adults; or
  - Eliminating services for 16,284 elderly, blind or disabled persons. (Source: Secretary Smith memo, 2/8/11)
- Saving \$30 million GPR over three months would require laying off more than **1,500** state employees. (Source: State Budget Office memo, 2/10/11)

- Both the Budget Repair Bill and the 2011-13 Biennial Budget will contain **no wage cuts, no layoffs, and no furloughs** for state employees. (Source: Governor's email to state employees, 2/11/11)
  - This effectively restores **3%** of state employee wages that were lost through furloughs in the 2009-11 biennium which will offset the increased pension and health care contributions.

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### Frequently Asked Questions

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#### Why won't the Governor negotiate with the unions?

Negotiations won't change our budget realities. Good faith negotiations require give-and-take. State government is broke and requires the benefit savings contained in the Budget Repair Bill. Negotiations will not change this.

Further, we simply cannot afford to wait. Over the last ten years, ALL state employee contracts have been signed late – on average, 15 months late – even though they ALL contained net compensation increases. Wisconsin faces a current year deficit of \$136.7 million and a biennial budget deficit of \$3.6 billion. Both must be fixed no later than June 30<sup>th</sup>.

#### Why is the governor proposing a budget repair bill when the Legislative Fiscal Bureau says that the state will end the biennium with a surplus?

The LFB revenue memo from January 31<sup>st</sup> indicated a general fund surplus of \$121.4 million, but also indicated several appropriation shortfalls. In practical terms, this means that the legislature did not appropriate enough money for these purposes in the last biennial budget. Wisconsin also is required to pay Minnesota \$58.7 million after Minnesota unilaterally ended the tax reciprocity agreement.

Fiscal Year 2010-11 General Fund Surplus	\$121.4 million
Deficit in Medical Assistance Programs to fulfill spending requirements under current law	(\$153.2 million)
Deficit in Medical Assistance admin services	(\$16 million)
Deficit in Income Maintenance Activities	(\$5 million)
Deficit in State Public Defenders Office	(\$3.5 million)
Deficit in Department of Corrections	(\$21.7 million)
MN Reciprocity Payment	(\$58.7 million)
Fiscal Year 2010-11 Net General Fund Deficit	(\$136.7 million)

In addition, Wisconsin still owes \$200 million to the Injured Patients and Families Compensation Fund.

#### Why are police and fire fighters exempted from the collective bargaining changes when other protective service employees are not?

Police and fire fighters are our most critical first responders, protecting Wisconsin citizens in each and every local community. Wisconsin law has always recognized a distinct difference between the work of police and fire fighters and the work of other public servants. This is most easily illustrated by the establishment of local Police and Fire Commissions that govern the relations between local governments and their police and fire fighters.

A fire over the weekend in the City of Milwaukee destroying 12 apartments and displacing at least five families provides an important reminder of why these services cannot afford to be interrupted for even a single day.

### **What protections will remain for public employees after passage of the Budget Repair Bill?**

The Budget Repair Bill will preserve the right of all currently represented employees to collectively bargain over base wages up to an increase set by the Consumer Price Index (CPI).

Further, the Budget Repair Bill does nothing to alter Wisconsin's civil service system – one of the strongest in the nation. These protections include, but are not limited to:

- Civil service hiring (by merit vs. seniority) remains
- Access to other state positions through transfer, promotion, etc., is still available, although application process may vary
- Just cause requirement for discipline due to property interest in the state job remains; due process must still be followed
- Still assured a discrimination-free, harassment-free work environment
- Same access to health insurance and other insurance benefits
- Accrual of leave benefits (e.g., vacation, legal holidays, personal holidays, sick leave) remains the same
- Layoff process, if it were to become necessary, is the same

### **Aren't the collective bargaining changes in the Budget Repair Bill actually non-fiscal policy items better addressed through separate legislation?**

All aspects of public employee collective bargaining reform affect the bottom lines of state and local governments. Requiring lengthy bargaining over everything from work rules to health care policy details limits the ability of state and local governments to effectively manage their budgets and provide value to the taxpayers.

Public employee collective bargaining excesses have also affected the quality of government services. Under the current system, employees are compensated based primarily on seniority rather than merit, talent and work load. This promotes longevity over innovation and creates a stifling effect on reforming the way government works.

There are countless examples of both of these effects, here are just two:

- In 2009, Madison's highest paid employee was a city bus driver. He earned \$159,258, including \$109,892 in overtime.

- In 2010, a teacher who had been named an Outstanding First Year Teacher was laid off from Bradley Tech High School in Milwaukee because she lacked seniority. The principal at Bradley Tech was quoted as saying, "Based on the pressures we're under as a low-performing school, I absolutely would have chosen a different nine (for layoffs)."

**Aren't employee costs just a drop in the bucket of Wisconsin's overall \$63 billion biennial budget?**

About 64% of Wisconsin's budget is spent on direct aids to individuals and local governments. Reducing this portion of the budget would cut payments that provide health care coverage for low-income children and families, school aids, shared revenue for local governments, and direct assistance to needy children and families. The remainder of the budget, about 36%, is spent on state operations. The share of state operations that is dedicated to employee salary and fringe benefits is shown below:

	Annual Total	State Operations	Salary and Fringe	Salary & Fringe as a % of State Operations
GPR	\$14,165,583,500	\$3,670,912,800	\$2,210,604,700	60%
PR	4,336,153,500	3,945,603,300	2,237,921,300	57%
FED	9,353,974,600	1,965,033,600	765,068,200	24%
SEG	3,890,569,200	1,722,856,300	416,461,200	39%
Total	\$31,746,280,800	\$11,304,406,000	\$5,630,055,400	50%

Since employee costs make up 60% of GPR state operations costs, addressing them is critical to solving both the current fiscal year deficit but also the biennial budget deficit.

\*Madison--  
Sunday, Feb. 13 1pm--9pm  
Capitol Steps

\*Horicon--  
Sunday, Feb. 13, 12:00--3pm  
204 West Lake Street Horicon WI

\*UW-Milwaukee  
Rally for worker and student rights, organized by the MGAA:  
Monday, February 14  
Spaights Plaza at UWM (the north end near the library)  
10:45AM

\*UW--Madison  
I ♥ UW: Gov. Walker Don't Break My Heart, organized by the TAA  
Monday, Feb. 14 12:00--1:00pm  
State Capitol  
Join with members of the UW community to deliver some Valentine's cards to Governor ☺  
before he releases his budget proposal.

\*Madison--  
Tuesday and Wednesday, organizers are meeting at 10 a.m. in the Masonic Temple on 3  
Ave. to brief participants on what is planned for the day, and to provide basic training or  
legislators face-to-face. A rally at the Capitol will follow at 11 a.m. at the traditional prot  
the steps facing State Street. After the rally, around 1 p.m., people will be asked to visit  
legislators and staff and lobby them to oppose the budget plan and its unprecedented a  
transforming labor relations in Wisconsin in favor of the government over employees.

Also Tuesday & Wednesday, continued rallies at the capitol from 3pm--7pm

\*Sheboygan--  
Planning committees currently working

\*\*\*BUS INFORMATION\*\*\*

Milwaukee Bus  
Spot Time: 7:45 a.m.  
Leave Time: 8:00 a.m.  
Pick up Location, Bus #1: 3427 W. St. Paul Ave., Milwaukee  
Pick up Location, Bus #2: Goerkes Corners Park & Ride



Racine Bus

Spot Time: 7:00 a.m.

Leave Time: 7:15 a.m.

Pick up Location: Hwy 11 Park & Ride

Eau Claire Bus

Spot Time: 6:15 a.m.

Leave Time: 6:30 a.m.

Pick up Locations:

1) Eau Claire Labor Temple/2233 Birch Street

2A) Black River Falls: Best Western Parking Lot – Orange Moose (I-94 & Hwy 54)

2B) Tomah: Culvers (147 Wittig Rd)

LaCrosse Bus (no bus on Wednesday 2/16)

Spot Time: 6:15 a.m.

Leave Time: 6:30 a.m.

Pick up Location: LaCrosse Mall

Wausau Bus

Spot Time: 6:15 a.m.

Leave Time: 6:30 a.m.

Pick up Locations:

1) Wausau Labor Temple (318 S. 3rd Ave., Wausau)

2) Plover: Shooters Supper Club (I39 & Hwy 54) – Depart 7:15 am

3) Portage: Best Western (2701 County Rd. CX) – Depart 8:30

Green Bay Bus

Spot Time: 5:15 a.m.

Leave Time: 5:30 a.m.

Pick up Locations:

1) DePere, Park & Ride (US 41/exit 163 on Main Street) – Departs 6:00 am

2) Beaver Dam, ShopKo Parking Lot (Off Hwy 151 – 822 Park Ave) – Depart 8:00 a.m.

Appleton bus:

Spot Time: 6:15 a.m.

Leave Time: 6:30 a.m.

Pick up Locations:

1) Appleton, Outagamie County/Appleton Park & Ride

2) Oshkosh, Winnebago County/Oshkosh Park & Ride (US 41/exit 116 on S. Washburn S  
– Depart 7:15 am

Manitowoc Bus

Spot Time: 5:30 a.m.

Leave Time: 5:45 a.m.

Pick up Locations:

- 1) Manitowoc Park & Ride (I-43/exit 149, US 151)
- 2) Sheboygan Park & Ride (I-43/exit 123 WI 28) – Depart 6:30
- 3) Fond du Lac Park & Ride (WI 23 & County Hwy W in Mount Calvary) – Depart 7:35 a.m.

Madison Bus

Spot Time: 8:30 a.m.

Stop Time: 5:00 p.m.

Pick up Locations:

- 1) Westside AFSCME to Madison Masonic Center continuous
- 2) Eastside East Towne mall to Madison Masonic Center continuous

REGISTER FOR BUS RIDE HERE:

<http://www.aft->

[wisconsin.org/?zone=%2Funionactive%2Fprivate\\_view\\_page.cfm&page=Preserve20Colle](http://www.wisconsin.org/?zone=%2Funionactive%2Fprivate_view_page.cfm&page=Preserve20Colle)  
([read less](#))

\*Madison--

Sunday, Feb. 13--11:00 a.m. – 1:00 p.m.

PICKET THE GOVERNOR'S MANSION

99 Cambridge Rd (take Sherman Ave to Lakewood Blvd to Cambridge Rd)

NO to the Budget Repair Bill! HANDS OFF State Labor Laws! STOP THE ATTACKS on Pul

\*Madison--

Sunday, Feb. 13 1pm--9pm

Capitol Steps

\*Horicon--

Sunday, Feb. 13, 12:00--3pm

204 West Lake Street Horicon WI

\*UW-Milwaukee

Rally for worker and student rights, organized by the MGAA:

Monday, February 14

Spaight's Plaza at UWM (the north... [\(read more\)](#))

General From [weac.org](http://weac.org)

## Information Your rights are under attack!!

Governor Scott Walker is proposing to wipe away decades of collective bargaining for teachers and other public workers in Wisconsin. The right to organize, the right to bargain during prep time, the right to have a voice in the profession – all of those things and more are under attack in Walker's budget bill. This is a strike on public workers, unions and the dedicated professionals in our classrooms across the state. This is an attack on worker rights.

It is up to us to take a stand and say NO to shortsighted fixes that attack public workers. We must organize and show lawmakers that the state budget should not be balanced on the backs of support staff and other professionals in our classrooms.

Here's the threat: Your rights will be taken away. Your ability to organize will be impacted. Your home pay will be slashed. Your entire job will change – and you will have no say in what happens.

Here's the threat: Your rights will be taken away. Your ability to organize will be impacted. Your home pay will be slashed. Your entire job will change – and you will have no say in what happens.

Take Action Now to keep your professional rights:

Visit [www.weac.org/cyberlobby](http://www.weac.org/cyberlobby). Tell your state legislators to vote NO to shortsighted fixes that balance the state budget shouldn't be balanced on the backs of dedicated public workers.

Call your legislators at 1-800-362-9472. Tell them that the budget repair bill will divide the state of Wisconsin and have a devastating effect on public education. To find contact information for your legislator, click here.

Organize. Contact your local president or UniServ director to join actions across the state to oppose the budget bill. State lawmakers need to know how this will affect you and your colleagues.

Protect your rights. Protect your profession. Take Action Now!

[\(read less\)](#)

From [weac.org](http://weac.org)

Your rights are under attack!!

Governor Scott Walker is proposing to wipe away decades of collective bargaining for teachers and other public workers in Wisconsin. The right to organize, the right to bargain during prep time, the right to have a voice in the profession – all of those things and more are under attack in Walker's budget bill. This is a strike on public workers, unions and the dedicated professionals in our classrooms across the state. This... [\(read more\)](#)

**Mission** Public Union Workers MUST UNITE!

WI Capitol Police  
B2N; State Capitol  
Madison, WI 53702

Office: [REDACTED]  
Cell: [REDACTED]  
Fax: [REDACTED]

## Downing, Karley - GOV

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**From:** Murray, Ryan M - GOV  
**Sent:** Saturday, February 12, 2011 1:49 PM  
**To:** Werwie, Cullen J - GOV; Schrimpf, Chris - GOV  
**Subject:** Fw: canceling current contracts?

**Importance:** High

FYI

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**From:** Archer, Cynthia - DOA  
**To:** Gilkes, Keith - GOV; Huebsch, Mike - DOA; Murray, Ryan M - GOV; Schutt, Eric - GOV  
**Sent:** Sat Feb 12 12:51:21 2011  
**Subject:** Fw: canceling current contracts?

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**From:** O'Donnell, Jessica L - OSER  
**Sent:** Friday, February 11, 2011 02:50 PM  
**To:** Jensen, Jodi - DOA  
**Cc:** Archer, Cynthia - DOA  
**Subject:** RE: canceling current contracts?

Cullen's statements are not correct. The following language, which has been reviewed by Bill and Greg, is accurate:

The State issued written notice to unions that the extensions to the 2007-2009 collective bargaining agreements are being terminated. The effective date of the terminations is March 13, 2011 regardless of the action taken by the Legislature on the Budget Repair Bill.

---

**From:** Jensen, Jodi - DOA  
**Sent:** Friday, February 11, 2011 12:15 PM  
**To:** O'Donnell, Jessica L - OSER  
**Subject:** FW: canceling current contracts?

Cindy is going to look at this, but she asked that you do as well.

---

**From:** Werwie, Cullen J - GOV  
**Sent:** Friday, February 11, 2011 12:13 PM  
**To:** Archer, Cynthia - DOA  
**Cc:** Jensen, Jodi - DOA  
**Subject:** RE: canceling current contracts?

Cindy-

I need to boil down the answers below into two sentences, is what I have below as a response accurate?

State Employees are operating under a memorandum of understanding and subsequent contract extensions. Notification has been sent that if the budget repair bill passes, state employees will no longer be operating under the current MOU, and the contract extensions will be terminated.

Thanks,

**Cullen Werwie**

*Press Secretary*

*Office of Governor Scott Walker*

*Press Office: (608) 267-7303*

*Email: [Cullen.Werwie@WI.Gov](mailto:Cullen.Werwie@WI.Gov)*




[www.walker.wi.gov](http://www.walker.wi.gov)

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**From:** Bauer, Scott [mailto:[sbauer@ap.org](mailto:sbauer@ap.org)]  
**Sent:** Friday, February 11, 2011 11:20 AM  
**To:** Werwie, Cullen J - GOV  
**Subject:** canceling current contracts?

Who can speak to that? Is the cancelation for all bargaining units?

Scott Bauer  
Associated Press  
P.O. Box 962  
Madison, Wis. 53701  


The information contained in this communication is intended for the use of the designated recipients named above. If the reader of this communication is not the intended recipient, you are hereby notified that you have received this communication in error, and that any review, dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify The Associated Press immediately by telephone at +1-212-621-1898 and delete this e-mail. Thank you.

[IP\_US\_DISC]msk dccc60c6d2c3a6438f0cf467d9a4938

## Downing, Karley - GOV

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**From:** Schrimpf, Chris - GOV  
**Sent:** Saturday, February 12, 2011 11:04 AM  
**To:** [REDACTED] Werwie, Cullen J - GOV  
**Cc:** Gilkes, Keith - GOV; Schutt, Eric - GOV  
**Subject:** Re: NYTimes

I wonder if we should talk to michelle rhee's group, students first. If we could get her to come do something that would give us a lot.

[www.studentsfirst.org](http://www.studentsfirst.org)

----- Original Message -----

**From:** Scott, Kevin - DOA  
**Sent:** Saturday, February 12, 2011 10:39 AM  
**To:** Schrimpf, Chris - GOV; Werwie, Cullen J - GOV  
**Cc:** Gilkes, Keith - GOV; Schutt, Eric - GOV  
**Subject:** Re: NYTimes

Similar to email to state workers is good. I'm a parent too. NY, CA and others are cutting state aid to schools and local governments without ways to offset reductions. Modest changes compared to those outside government.

----- Original Message -----

**From:** Schrimpf, Chris - GOV  
**Sent:** Saturday, February 12, 2011 10:26 AM  
**To:** [REDACTED] Werwie, Cullen J - GOV  
**Cc:** Gilkes, Keith - GOV; Schutt, Eric - GOV  
**Subject:** Re: NYTimes

I'm drafting a first draft now, and will have it to eric and ryan and the policy folks to tweak soon.

----- Original Message -----

**From:** [REDACTED]  
**Sent:** Saturday, February 12, 2011 10:25 AM  
**To:** Schrimpf, Chris - GOV; Werwie, Cullen J - GOV  
**Cc:** Gilkes, Keith - GOV; Schutt, Eric - GOV  
**Subject:** Re: NYTimes

We can get a list of every licensed teacher in the state from DPI and mail them a letter. I did that for Wauwatosa when I was in the Assembly.

----- Original Message -----

**From:** Schrimpf, Chris - GOV  
**Sent:** Saturday, February 12, 2011 09:30 AM  
**To:** [REDACTED]; Werwie, Cullen J - GOV  
**Subject:** Re: NYTimes

It seems from the coverage overall that the teachers are going to be the greatest opposition to this, which makes sense since they are in every community and can talk about "the kids". Communicating to them and correcting their message will be key on monday and tuesday.

We might want to consider a letter to teachers, a letter to superintendents, and or a letter to school boards.

----- Original Message -----

From: [REDACTED]  
Sent: Saturday, February 12, 2011 09:06 AM  
To: Schrimpf, Chris - GOV; Werwie, Cullen J - GOV  
Subject: NYTimes

Good story.



## Downing, Karley - GOV

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**From:** Werwie, Cullen J - GOV  
**Sent:** Sunday, February 13, 2011 3:02 PM  
**To:** [REDACTED]  
**Cc:** Schrimpf, Chris - GOV  
**Subject:** Press release draft: The Cost of Public Sector Benefits  
**Attachments:** LFB paper 84 Wisconsin Retirement System.pdf; State Budget Office Memo 2-9-11.doc; ETF Health Care Analysis.pdf

Here is the second draft. This one was also cleared by Chris, Keith, Ryan, and the budget shop. Let me know thoughts or edits.

February 14, 2011  
For Immediate Release  
Contact: Cullen Werwie, 608-267-7303

## The Cost of Public Sector Benefits

**Madison**—In an effort to raise awareness about the cost of public sector employee benefits today Governor Walker's office released the following fact sheet.

- In 2001 taxpayers contributed \$423 million dollars to state employee health insurance premiums, while in 2011 taxpayers contributed more than \$1 billion dollars. In 2011, state employees paid \$64 million toward their health insurance, or about 5.6% of the total cost. (ETF Health Care Analysis)
- From 2001 to 2010 taxpayers spent more than \$8 billion dollars on state employee health care coverage—over the same period of time state employees contributed about \$398 million. (ETF Health Care Analysis)
- Public employers contributed almost \$1.37 billion to the state's pension fund in 2009, while employees contributed about \$8 million, or about 0.6%. (LFB paper 84 Wisconsin Retirement System, Table 28).
- From 2000 to 2009 taxpayers spent about \$12.6 billion on public employee pensions, during the same period public employees contributed \$55.4 million. (LFB paper 84 Wisconsin Retirement System, Table 28)
- When looking at state operations, state employees account for about 60% of taxpayer cost—77% of state operations for the UW are employees, 70% for corrections, 63% for health services. (State Budget Office Memo 2-9-11)
- Wisconsin taxpayers currently make nearly a 100% payment for the employee portion of the public sector pension contribution. Illinois and Indiana taxpayers contribute the entire employee portion as well, Iowa, Michigan, Minnesota and Ohio pay 0% of the employee contribution (State Budget Office Memo 2-9-11)
- Public employees in Wisconsin are vested in the retirement system immediately, while in Illinois it takes 8 years, 10 years in Indiana, 4 years in Iowa, 10 years in Michigan, 3 years in Minnesota, and 5 years in Ohio. (State Budget Office Memo 2-9-11)
- Survey data finds that private employer HMO plans in Wisconsin typically require a co-pay of \$18 per office visit, \$45 per specialist visit, \$75 per emergency room visit, or \$175 in-patient treatment. The average health insurance premium for these plans averaged \$108 per month for single coverage and \$261 for family. (State Budget Office Memo 2-9-11)
- Taxpayers spent \$733 million of general purpose revenue on fringe benefits for state employees in fiscal year 2010 (State Budget Office Memo 2-9-11)

- Fringe benefits made up 25.6% of school district expenditures in 2008-09. (State Budget Office Memo 2-9-11)

Along with the release of this information Governor Walker's spokesman, Cullen Werwie, released the following statement:

*Wisconsin is in a fiscal crisis because past budgets, which were supported by members of both political parties, used one time sources of revenue for ongoing operating expenditures and did nothing to address the long-term financial challenges facing our state.*

*Both democrats and republicans know that state workers do great work. But unfortunately many private sector workers who are also hard working, good people either lost their job, took a pay cut, or saw their benefit package reduced as a result of the recent economic downturn. Governor Walker's budget repair bill strikes a fair balance—asking public employees to make a modest 5.8% pension contribution, which is about the national average, and 12.6% health insurance contribution, which is about half the national average.*

*Governor Walker is going to engage in an honest discussion about the cost of our government. He will continue to offer long-term budget reforms that fix Wisconsin's current fiscal disaster, which will ensure sustainable delivery of the core services taxpayers demand.*

###

## Downing, Karley - GOV

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**From:** Werwie, Cullen J - GOV  
**Sent:** Sunday, February 13, 2011 1:56 PM  
**To:** Schimpf, Chris - GOV  
**Subject:** FW: walker response?

FYI -

**Cullen Werwie**  
*Press Secretary*  
*Office of Governor Scott Walker*  
*Press Office: (608) 267-7303*  
*Email: [Cullen.Werwie@WI.Gov](mailto:Cullen.Werwie@WI.Gov)*



[www.walker.wi.gov](http://www.walker.wi.gov)

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**From:** Werwie, Cullen J - GOV  
**Sent:** Sunday, February 13, 2011 1:25 PM  
**To:** 'Teresa Mackin'  
**Subject:** RE: walker response?

Here is a reaction to the protestors you can attribute to me:

Both democrats and republicans know that state workers do great work. But unfortunately many private sector workers who are also hard working, good people either lost their job, took a pay cut, or saw their benefit package reduced as a result of the recent economic downturn. Governor Walker's budget repair bill strikes a fair balance—asking public employees to make a modest 5.8% pension contribution, which is about the national average, and 12.6% health insurance contribution, which is about half the national average.

Thanks,

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*Press Office: (608) 267-7303*  
*Email: [Cullen.Werwie@WI.Gov](mailto:Cullen.Werwie@WI.Gov)*



[www.walker.wi.gov](http://www.walker.wi.gov)

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**From:** Teresa Mackin [mailto:████████████████████]  
**Sent:** Sunday, February 13, 2011 10:16 AM  
**To:** Werwie, Cullen J - GOV  
**Subject:** walker response?

Know if the governor will have any response if there are picketers outside the capitol today?

Teresa Mackin

[REDACTED]  
Teresa Mackin  
WKOW TV 27 Reporter



## Downing, Karley - GOV

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**From:** Schrimpf, Chris - GOV  
**Sent:** Sunday, February 13, 2011 2:53 PM  
**To:** Werwie, Cullen J - GOV  
**Subject:** Re: Updated Draft release: The Cost of Public Sector Benefits

Edited quote:

Wisconsin is in a fiscal crisis because past budgets, which were supported by members of both political parties, used one time sources of revenue for ongoing operating expenditures and did nothing to address the long-term financial challenges facing our state.

Both democrats and republicans know that state workers do great work. But unfortunately many private sector workers who are also hard working, good people either lost their job, took a pay cut, or saw their benefit package reduced as a result of the recent economic downturn. Governor Walker's budget repair bill strikes a fair balance—asking public employees to make a modest 5.8% pension contribution, which is about the national average, and 12.6% health insurance contribution, which is about half the national average.

Governor Walker is going to engage in an honest discussion about the cost of our government. He will continue to offer long-term budget reforms that fix Wisconsin's current fiscal disaster, which will ensure sustainable delivery of the core services taxpayers demand.

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**From:** Werwie, Cullen J - GOV  
**Sent:** Sunday, February 13, 2011 01:30 PM  
**To:** Schrimpf, Chris - GOV  
**Subject:** Updated Draft release: The Cost of Public Sector Benefits

Slightly updated draft:

February 14, 2011  
For Immediate Release  
Contact: Cullen Werwie, 608-267-7303

## The Cost of Public Sector Benefits

**Madison**—In an effort to raise awareness about the cost of public sector employee benefits today Governor Walker's office released the following fact sheet.

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- Public employees in Wisconsin are vested in the retirement system immediately, while in Illinois it takes 8 years, 10 years in Indiana, 4 years in Iowa, 10 years in Michigan, 3 years in Minnesota, and 5 years in Ohio. (State Budget Office Memo 2-9-11)
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###

Cullen Werwie

Press Secretary  
Office of Governor Scott Walker  
Press Office: (608) 267-7303  
Email: [Cullen.Werwie@WI.Gov](mailto:Cullen.Werwie@WI.Gov)



[www.walker.wi.gov](http://www.walker.wi.gov)

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**From:** Schmiedicke, David P - DOA  
**Sent:** Sunday, February 13, 2011 1:18 PM  
**To:** Werwie, Cullen J - GOV  
**Cc:** Murray, Ryan M - GOV; Hayes, Brian - DOA  
**Subject:** RE: Draft release: The Cost of Public Sector Benefits

Cullen: Please note the edits in red below. Let me know if you have any questions. Thanks. Dave

- Second to last bullet – "~~personal services and~~ Taxpayers spent \$733 million of general purpose revenue on fringe benefits for state employees in fiscal year 2010 (State Budget Office Memo 2-9-11)"
- Third bullet from bottom – "~~A recent study~~ Survey data finds that suggests private employer HMO plans in Wisconsin typically require a co-pay of \$18 per office visit, \$45 per specialist visit, \$75 per emergency room visit, or \$175 in-patient treatment. The average health insurance premium for these plans averaged \$108 per month for single coverage and \$261 for family." (State Budget Office Memo 2-9-11)
- Fifth bullet from bottom – "Wisconsin taxpayers currently make nearly a 100% payment for the employee portion of the public sector pension contribution. Illinois and Indiana taxpayers contribute the same entire employee portion as well, ~~Indiana pays about 50% of the employee contribution,~~ Iowa, Michigan, Minnesota and Ohio pay 0% of the employee contribution (State Budget Office Memo 2-9-11)

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**From:** Werwie, Cullen J - GOV  
**Sent:** Sunday, February 13, 2011 12:25 PM  
**To:** Murray, Ryan M - GOV; Schmiedicke, David P - DOA  
**Subject:** Draft release: The Cost of Public Sector Benefits

Can one of you look this over and just verify that the way I have phrased the info provided to me in the attached documents is accurate? I used the xls spreadsheet to calculate totals (but will not include it in the release).

February 14, 2011  
For Immediate Release  
Contact: Cullen Werwie, 608-267-7303

## The Cost of Public Sector Benefits

**Madison**—In an effort to raise awareness about the cost of public sector employee benefits today Governor Walker's office released the following fact sheet.

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- Fringe benefits made up 25.6% of school district expenditures in 2008-09. (State Budget Office Memo 2-9-11)

###



## Downing, Karley - GOV

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**From:** Werwie, Cullen J - GOV  
**Sent:** Sunday, February 13, 2011 1:57 PM  
**To:** [REDACTED] Schrimpf, Chris - GOV  
**Subject:** Media additions for Monday

Governor-

Below please see a few phone calls I've setup for you tomorrow. Please note the first one is at 7:07am, as I don't believe these have made it onto your calendar yet, because I just confirmed them today. I'm sure at some point you'll get asked about protestors, AFLCIO ads or the like, below is the response I have been providing to those sorts of questions:

Both democrats and republicans know that state workers do great work. But unfortunately many private sector workers who are also hard working, good people either lost their job, took a pay cut, or saw their benefit package reduced as a result of the recent economic downturn. Governor Walker's budget repair bill strikes a fair balance—asking public employees to make a modest 5.8% pension contribution, which is about the national average, and 12.6% health insurance contribution, which is about half the national average.

Let me know if you have any questions.

### Cullen Werwie

*Press Secretary*

*Office of Governor Scott Walker*

*Press Office: (608) 267-7303*

*Email: [Cullen.Werwie@WI.Gov](mailto:Cullen.Werwie@WI.Gov)*



[www.walker.wi.gov](http://www.walker.wi.gov)

---

**From:** Werwie, Cullen J - GOV  
**Sent:** Sunday, February 13, 2011 8:25 AM  
**To:** Grinder, Jennifer - GOV; Gilkes, Keith - GOV; [REDACTED]; [REDACTED]; Moore, Dorothy J - GOV; Schrimpf, Chris - GOV  
**Subject:** Media additions for Monday

All of these phone calls will be discussing the budget repair bill.

Call-in to Jay Weber's morning show

7:07-7:20am

Call-in number: [REDACTED]

Call-in to Charlie Sykes' morning show (Jeff Wagner hosting)

8:36-8:50am

Call-in number: [REDACTED]

Call-in to Jerry Bader's morning show

9:06-9:20am

Call-in number [REDACTED]

Call-in to Vicki McKenna's Milwaukee show  
11:15-11:30am  
Call-in number:

Call-in to Vicki McKenna's Madison show  
4:15-4:30  
Call-in number:

Thanks,

**Cullen Werwie**

*Press Secretary*

*Office of Governor Scott Walker*

*Press Office: (608) 267-7303*

*Email: [Cullen.Werwie@WI.Gov](mailto:Cullen.Werwie@WI.Gov)*



[www.walker.wi.gov](http://www.walker.wi.gov)

## Downing, Karley - GOV

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**From:** Werwie, Cullen J - GOV  
**Sent:** Sunday, February 13, 2011 1:56 PM  
**To:** Schrimpf, Chris - GOV  
**Subject:** FW: Links to AFL-CIO ads

FYI -

### Cullen Werwie

*Press Secretary*

*Office of Governor Scott Walker*

*Press Office: (608) 267-7303*

*Email: [Cullen.Werwie@WI.Gov](mailto:Cullen.Werwie@WI.Gov)*



[www.walker.wi.gov](http://www.walker.wi.gov)

---

**From:** Werwie, Cullen J - GOV  
**Sent:** Sunday, February 13, 2011 1:26 PM  
**To:** Mike Johnson  
**Subject:** RE: Links to AFL-CIO ads

Mike-

Here is a reaction to the ads you can attribute to me:

Both democrats and republicans know that state workers do great work. But unfortunately many private sector workers who are also hard working, good people either lost their job, took a pay cut, or saw their benefit package reduced as a result of the recent economic downturn. Governor Walker's budget repair bill strikes a fair balance—asking public employees to make a modest 5.8% pension contribution, which is about the national average, and 12.6% health insurance contribution, which is about half the national average.

Thanks,

### Cullen Werwie

*Press Secretary*

*Office of Governor Scott Walker*

*Press Office: (608) 267-7303*

*Email: [Cullen.Werwie@WI.Gov](mailto:Cullen.Werwie@WI.Gov)*



[www.walker.wi.gov](http://www.walker.wi.gov)

---

**From:** Mike Johnson [mailto: [REDACTED]]  
**Sent:** Sunday, February 13, 2011 12:41 PM  
**To:** Werwie, Cullen J - GOV  
**Subject:** Links to AFL-CIO ads

Cullen:  
Here are links to the AFL-CIO ads.  
Mike Johnson  
[REDACTED]

---

**From:** Robert Allen [mailto:[REDACTED]]  
**Sent:** Sunday, February 13, 2011 12:32 PM  
**To:** Mike Johnson  
**Subject:** Links to AFL-CIO ads

Hello Mike,  
Hope these links work for you.  
Thanks for bringing this to our attention.  
Bob Allen

Link to TV spot:

<http://www.youtube.com/watch?v=yuJd0w9VlaY> <<http://www.youtube.com/watch?v=yuJd0w9VlaY>>

Link to Radio spot:

<http://www.youtube.com/watch?v=srsCHt4k1f4> <<http://www.youtube.com/watch?v=srsCHt4k1f4>>

## Downing, Karley - GOV

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**From:** Schrimpf, Chris - GOV  
**Sent:** Sunday, February 13, 2011 1:41 PM  
**To:** Werwie, Cullen J - GOV  
**Subject:** Re: Updated Draft release: The Cost of Public Sector Benefits

I like both the releases, I'm just going to tweak the quotes a little once my wife gets home

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**From:** Werwie, Cullen J - GOV  
**Sent:** Sunday, February 13, 2011 01:30 PM  
**To:** Schrimpf, Chris - GOV  
**Subject:** Updated Draft release: The Cost of Public Sector Benefits

Slightly updated draft:

February 14, 2011  
For Immediate Release  
Contact: Cullen Werwie, 608-267-7303

## The Cost of Public Sector Benefits

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- Public employers contributed almost \$1.37 billion to the state's pension fund in 2009, while employees contributed about \$8 million, or about 0.6%. (LFB paper 84 Wisconsin Retirement System, Table 28).
- From 2000 to 2009 taxpayers spent about \$12.6 billion on public employee pensions, during the same period public employees contributed \$55.4 million. (LFB paper 84 Wisconsin Retirement System, Table 28)
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average health insurance premium for these plans averaged \$108 per month for single coverage and \$261 for family. (State Budget Office Memo 2-9-11)

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*Governor Walker is going to engage in an honest discussion about the cost of our government. He will continue to offer long-term budget reforms that fix Wisconsin's current fiscal disaster, which will ensure sustainable delivery of the core services taxpayers demand.*

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**Cullen Werwie**

Press Secretary

Office of Governor Scott Walker

Press Office: (608) 267-7303

Email: [Cullen.Werwie@WI.Gov](mailto:Cullen.Werwie@WI.Gov)



[www.walker.wi.gov](http://www.walker.wi.gov)

---

**From:** Schmiedicke, David P - DOA  
**Sent:** Sunday, February 13, 2011 1:18 PM  
**To:** Werwie, Cullen J - GOV  
**Cc:** Murray, Ryan M - GOV; Hayes, Brian - DOA  
**Subject:** RE: Draft release: The Cost of Public Sector Benefits

Cullen: Please note the edits in red below. Let me know if you have any questions. Thanks. Dave

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February 14, 2011

For Immediate Release

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## Downing, Karley - GOV

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**From:** Werwie, Cullen J - GOV  
**Sent:** Sunday, February 13, 2011 12:58 PM  
**To:** Schrimpf, Chris - GOV  
**Subject:** Press release draft: The Cost of Public Sector Benefits  
**Attachments:** ETF Health Care Analysis.pdf; LFB paper 84 Wisconsin Retirement System.pdf; State Budget Office Memo 2-9-11.doc

I have the budget shop people reviewing this to make sure it is accurate. Let me know your thoughts.

February 14, 2011

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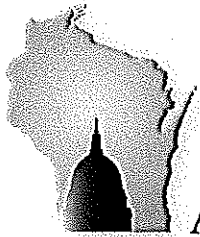
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While public employee union leaders continue to spew charged political rhetoric, Governor Walker is going to engage in an honest discussion about the cost of our government. He will continue to offer long-term budget reforms that fix Wisconsin's current fiscal disaster, which will ensure sustainable delivery of the core services taxpayers demand.

###



**WISCONSIN DEPARTMENT OF  
ADMINISTRATION**

**SCOTT WALKER**  
GOVERNOR

**MIKE HUEBSCH**  
SECRETARY

Division of Executive Budget and Finance  
Post Office Box 7864  
Madison, WI 53707-7864  
Voice (608) 266-1736  
Fax (608) 267-0372  
TTY (608) 267-9629

**Date:** February 9, 2011  
**To:** Interested Parties  
**From:** State Budget Office  
**Subject:** State, Local Government and School District Employee Compensation Information

## Employee Costs as Share of State Operations

Adjusted Base

	State Operations*	Employee Costs*	Percentage	FTE
GPR	\$3,670,912,800	\$2,210,604,700	60%	35,761.66
PR	3,945,603,300	2,237,921,300	57%	19,843.38
SEG	1,722,856,300	416,461,200	24%	5,173.48
FED	1,965,033,600	765,068,200	39%	10,330.09
	\$11,304,406,000	\$5,630,055,400	50%	71,108.61

\*Includes LTEs

Source: State Budget Office

### Employee Costs as Share of State Operations by Agency

Agency	State Operations	Employee Costs	Percentage	FTE
UW	\$1,130,132,300	\$875,293,900	77%	18,483.93
Corrections	1,007,690,000	700,483,000	70%	9,679.57
Health Services	252,095,900	159,844,800	63%	2,229.72
Justice	38,678,900	31,722,600	82%	367.08
District Attorneys	42,289,100	42,041,100	99%	380.90
Public Defender	76,775,100	50,029,200	65%	575.85
Revenue	95,648,700	71,072,800	74%	892.73
Courts	96,117,300	89,650,800	93%	718.00
Legislature	72,689,600	58,928,900	81%	758.17
<b>Subtotal</b>	<b>2,812,116,900</b>	<b>2,079,067,100</b>	<b>74%</b>	<b>34,085.95</b>
Other	858,795,900	131,537,600	15%	1,675.71
<b>Total</b>	<b>\$3,670,912,800</b>	<b>\$2,210,604,700</b>	<b>60%</b>	<b>35,761.66</b>

Adjusted Base – GPR Only

Source: State Budget Office



## Retirement Plans, Other States

<u>State</u>	<u>Employee Contribution Rate</u>	<u>Employer-covered share of Employee Contribution Rate</u>	<u>Employer Contribution Rate</u>	<u>Vesting Period</u>	<u>Normal; Early Retirement Qualifications</u>
Illinois	4.00%	4.00%	16.56%	8 years	60/8 or rule of 85; 55/25
Indiana	3.00%	3.00%	6.26%	10 years	65/10 or 60/15 or 55/rule of 85; 50/15
Iowa	4.5%	none	6.05%	4 years	65 or 62/20 or rule of 88; 55/4
Michigan*	Non-contributory	none	8.30%	10 years	60/10 or 55/30; 55/15
Minnesota	6.00%	none	6.50%	3 years	65/1 or 30 years svc or rule of 90; 55/3
Ohio	10.00%	none	14.00%	5 years	60/5 or any/30; 55/25
Wisconsin	5.00%	5.00%	4.80%	Immediate	65/any or 57/30; 55

Source: Wisconsin Legislative Council – study of retirement systems

Source: Schmidt, Daniel, 2008 Comparative Study of Major Public Employee Retirement Systems, Wisconsin Legislative Council, December 2009 (revised May 2010)

## Illustration of Health Plan Modification

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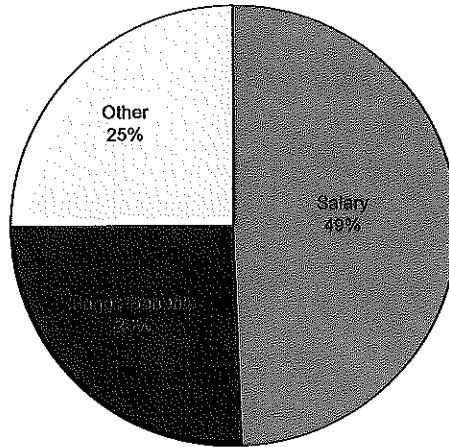
- According to survey data, private employer HMO plans for large employers in WI typically require the following co-pays:
  - \$18 office visit/\$45 specialist
  - \$75 ER visit
  - \$175 for in-patient co-pay.
- Instituting these plan design changes would reduce premium contributions by about 5 percent, or about \$23 million GPR.
- Premium Contributions for the plans surveyed averaged \$108/month for single and \$261/month for family coverage

Source: State Budget Office analysis.

State of Wisconsin  
Personal Services and Fringe Benefit Cost Summary  
Fiscal Year 2010

	<u>GPR</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
<b>Personal Services Costs</b>	1,487,637,214	1,961,313,119	342,511,692	3,791,462,025
% of Total Personal Services	39.24%	51.73%	9.03%	100.00%
<b>Fringe Benefit Costs</b>				
1910 Unemployment Compensation	1,621,779	2,809,737	520,700	4,952,216
1911 Unemployment Comp - LTE	497,717	1,145,986	1,275,807	2,919,510
1918 Workers Comp - 3rd Party Claims	3,266,369	5,657,463	604,213	9,528,045
1919 Workers Comp - 1099 Reportable	678,191	1,138,228	121,562	1,937,981
1920 Workers Comp - Wage Non-1099 Reportable	1,938,078	3,252,826	1,753,062	6,943,966
1921 Wage Continuation Insurance	2,244,932	2,682,572	646,631	5,574,135
1925 Workers Compensation for Inmates	99,635	209	0	99,844
1929 Employer Contribution - Academic Retire	0	231,409	0	231,409
1930 Social Security - State Share	88,403,240	103,278,337	20,943,476	212,625,053
1931 Medicare Coverage - Govt Empl	21,164,656	25,014,353	4,912,337	51,091,346
1940 Health Insurance	356,030,913	380,687,901	86,495,608	823,214,422
1941 ERA Administrative Fees	1,860,704	3,524,943	41,921	5,427,568
1942 Health Insurance - Graduate Assistants	8,370,604	38,897,454	377,028	47,645,086
1950 Life Insurance	1,991,141	2,059,184	495,576	4,545,901
1961 Teacher Retirement (UW and State)	56,182,419	93,911,441	506,444	150,600,304
1969 Other Retirement - Total	140,786,035	96,959,382	43,583,625	281,329,042
1970 Pension Obligation Bond Pmts	52,252,295	46,923,526	11,559,304	110,735,125
1980 Nonsalary Related Legal Settlements	0	112,633	0	112,633
1999 Unallocated Transfers	(3,661,224)	8,053,413	(2,205,135)	2,187,054
<b>Total Fringe Benefits</b>	<b>733,727,484</b>	<b>816,340,997</b>	<b>171,632,159</b>	<b>1,721,700,640</b>
% of Total Fringe Benefits	42.62%	47.41%	9.97%	100.00%
Fringe Benefits % of Personal Services	49.32%	41.62%	50.11%	45.41%
<b>Total Personal Services and Fringes</b>	<b>\$2,221,364,698</b>	<b>\$2,777,654,116</b>	<b>\$514,143,851</b>	<b>\$5,513,162,665</b>

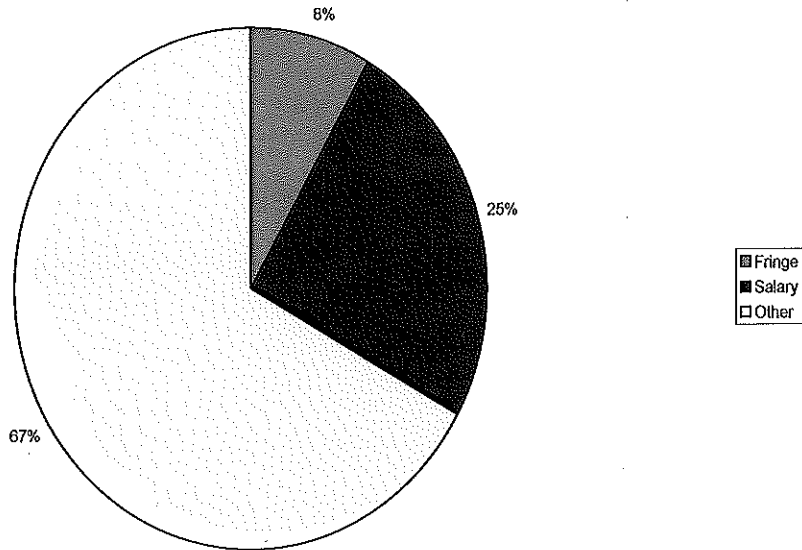
Salary and fringe benefit costs comprise 75% of school district expenditures  
(2008-09 data)



School District Expenditures 2008-09		
Salary	5,243,908,881	49.4%
Fringe Benefits	2,718,937,862	25.6%
Other	2,660,482,918	25.0%
<b>Total</b>	<b>10,623,329,660</b>	<b>100.0%</b>

Source – State Budget Office analysis using Department of Public Instruction school financial data reports

Salary and Fringe as a Percentage of County and Municipal Expenditures



Source: Calculations based on Department of Revenue County and Municipal Revenues and Expenditure Report (2009), 2009 Census Data on Local Government Employment, and 2009 Bureau of Economic Analysis data on composition of employee compensation by industry. Assumes fringe benefits equal to 33.4% of salary.

County and Municipal Expenditure Categories (in \$millions)		
Expenditure Category	Expenditures	% of Total
Salary	\$3,975	24.7%
Fringe	\$1,328	8.3%
Other*	\$10,763	67.0%
Total	\$16,065	100.0%

\*Includes proprietary fund operating expenditures.

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