# The Professionals Guild of Ohio


# PGO UNION NEWS

March 2016

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**Questions or comments can be directed to the Executive Director.**

**E-Mail:**
**cmason@professionalsguild.org**

**Website:**
**www.professionalsguild.org**

**Like us on Facebook**

**Phone:**
**614-258-4401 or**
**800-331-5428**

**Fax:**
**614-258-4465**

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## Unemployment Cuts Stall Under Criticism

*By Paul Henry,*
*PGO Field Representative*

Since it was first reported last month, HB 394, the bill that would cut unemployment benefits to Ohio workers, appears to have been stalled by harsh criticism over some of its hidden details.

Kristin Seifert Watson, a Columbus labor and employment law attorney, testified before the House Insurance Committee regarding some of these issues. Watson cited a provision in House Bill 394 that would prohibit workers from receiving jobless benefits if they were fired for violating terms of an employee handbook. "This provision would disqualify employees from receiving benefits if they are discharged for violations such as returning one minute late from break, wearing the wrong color shirt, or parking in the wrong parking spot. The possibilities are endless," Watson said.

Additional concerns were raised regarding language designed to disqualify employees from receiving benefits when an employer changes the requirements of the position and the employees are terminated because they are unable to perform the new duties. The bill's sponsor, Sen. Barbara Sears, R-Sylvania has failed to provide any valid explanation of how this would help workers who have lost their jobs.

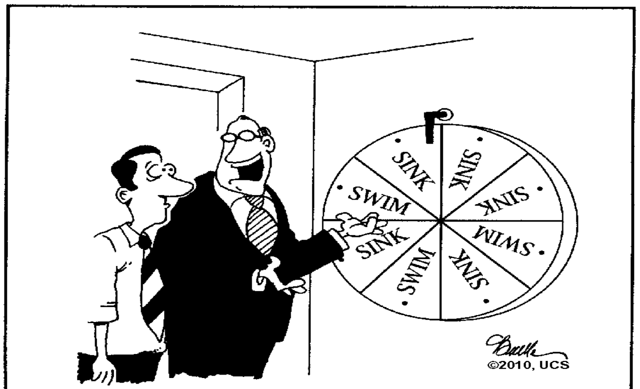
The awful changes this bill would create has caused it to go through additional scrutiny. It is currently being reviewed in a committee but could be brought for a vote soon; hopefully this won't happen. Workers should not be denied protection under the law. This bill would be a good candidate for quietly fading away in committee.

## The ACA's 80/20 Rule

*By Paul Henry,*
*PGO Field Representative*

Insurance companies used to face very little oversight on how your monthly premiums were spent. Fortunately, when the Affordable Care Act was being implemented the drafters had the foresight to prevent the insurance companies from continuing to operate in the dark.

After years of skyrocketing costs, more oversight was necessary to keep the insurance companies honest. Two major oversight provisions made their way into the ACA. The first was a mandatory rate review and the second was what became known as the 80/20 rule.



"Here at Crowe Maritime Products, we like to let employees choose a health care plan that suits their needs. Now, step right up and spin the wheel."

A mandatory rate review must now occur every single time an insurance company raises premiums by 10 percent or more. As previously mentioned, the insurance companies operated for years without providing any explanation on what they were doing with your money. The law now requires insurance companies to publicly explain the reason for the rate increases. This is a provision that applies exclusively to new insurance plans and does not apply to grandfathered insurance plans. Grandfathered plans are health plans that were in existence on March 23, 2010, and haven't been changed in ways that substantially cut benefits or increase costs for plan holders.

The second provision of the Affordable Care Act which is designed to prevent inappropriate use of your money is the 80/20 Rule. The 80/20 Rule, which can be better described as Medical Loss Ratio, generally requires insurance companies to spend at least 80 percent of the money they take in from premiums on health care costs. Insurance companies are then required to only spend 20 percent of the premiums on administrative, overhead, and marketing costs. If your insurance company doesn't meet its 80/20 targets for the year, then you are entitled to receive some money back. This can be done in a number of different ways: you could get a rebate check; a deposit from your employer; or some of your future premium payments may be waived.

Before the Affordable Care Act, the world of insurance was the Wild West, with few rules and little oversight. Since this law has gone into effect, you now have the right to know what the insurance providers are doing with your money.

## PGO Contract Negotiations

**PGO Council 8**

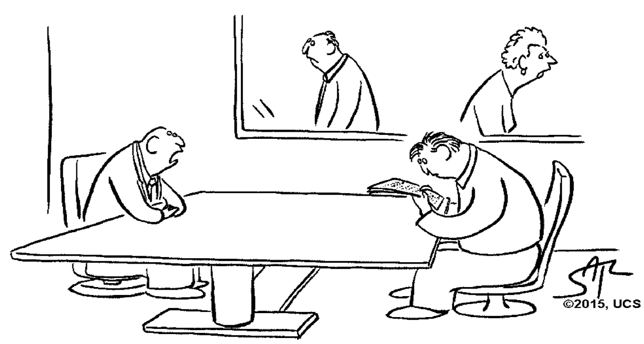
Child welfare caseworkers in this council have a new 3-year contract with the Guernsey County Children Services Board. Council 8 members will receive a 2.5 percent general increase the first year, with negotiation reopeners scheduled to set wages in the second and third years of the agreement. Additionally, the personal leave accrual rate was increased from one-half day each calendar quarter to a full day each quarter (i.e., two days to four days per year). The Union bargaining committee included Council 8 president ***Roy Higgins*** and vice president ***Hilaree Homko***,

**PGO Council 16**

PGO members working at the Athens County Board of Developmental Disabilities recently ratified a new 3-year contract. Wages will be frozen for the first year, with reopeners scheduled to set wages for the second and third years. Work from home "Teleworking" language in a side memorandum of understanding agreement is now incorporated into the contract and insurance benefits have been maintained at current levels. The Union was represented by Council 16 president ***Audra Harrison***, vice president ***Mark Shrivers***, second vice president ***Margaret Casey***, and PGO executive director ***Chauncey Mason***.

**PGO Council 20**

PGO represented transportation workers at the Montgomery County Board of Developmental Disabilities reached agreement on a wage reopener that will give members a 2.5 percent wage increase effective January 1, 2016. The Union bargaining committee included Council 20 president ***Richard Long***, vice president ***Patty Burcham***, secretary/treasurer ***Sheila Brannon***, and PGO executive director ***Chauncey Mason***.



"It's a standard contract. You agree to be a powerless and insignificant cog in our vast corporate machine and we agree to oil you occasionally."


"You will work harder for less than your parents and you may never retire. The good news is, you'll live longer!"

## People Suffer When Pensions Go Broke,

*By Paul Henry, PGO Field Representative*

Before the Great Recession, the government's Pension Benefit Guaranty Corporation was there to pay a share of pensions that went bust. Unfortunately, after the Great Recession, when the stock market tanked and investments evaporated, the government started looking for ways to get out from underneath this liability. Lawmakers introduced the Multiemployer Pension Reform Act attached to a spending bill designed to avoid a government shutdown back in 2014. This bill allowed troubled multiemployer pensions to cut benefits in order to save some money. It now looks like this legislation will be utilized and nearly 50,000 Ohio pensioners could be affected.

Some pensioners, like Alex Adams, a 73 year old former truck driver and former president of Teamsters Local 407, are now asking lawmakers to save their pensions. Adams has eliminated all luxuries from his life and is concerned that it won't be enough. "We thought this stage of our lives would be comfortable. But this is devastating. And not just for me, but to so many others out there—the men and women who banked on the American Dream." Michael Walden, a 66 year old truck driver from Cuyahoga Falls, stated that his pension currently comes to $36,000 a year. Under the current law, his pension could be cut to $14,000 a year.

The pensioners' problems have not fallen on deaf ears in Congress. Vermont Senator Bernie Sanders and Ohio Representative Marcy Kaptur have introduced a bill that would guarantee full pension benefits to those who used the fund to invest in their retirement. During this period of increased political strife, it is unclear whether or not this bill could achieve any momentum.

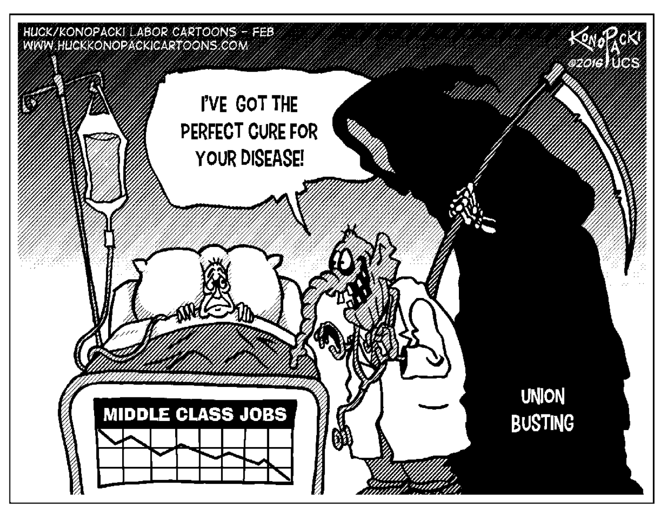
It is regrettable that we live in an era where hardworking Americans who have done everything they were asked to do during their careers may have their benefits cut to well below the poverty line. When banks and automakers are seen as too big to fail and receive bailouts, it is unclear why the workers who made this country great are not entitled to the same.

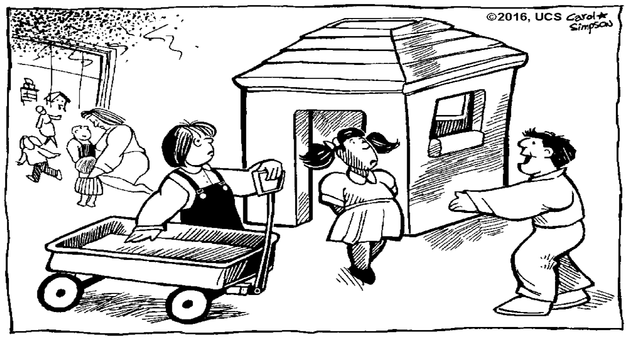
## West Virginia Falls to Right to Work

*By Paul Henry, PGO Field Representative*

On Friday, February 12, the West Virginia legislature voted to become the 26th right to work (RTW) state. This unfortunate turn of events occurred after the legislature overrode the Governor's veto. West Virginia's coal driven economy has suffered in recent years due to the focus on carbon emissions and global warming. Much like the other states that have chosen to go RTW, they did so under the falsehood that it will help create jobs and increase wages.

According to the Economic Policy Institute, wages in RTW states are 3.1 percent lower than those in non-RTW states. This translates into RTW being associated with $1,558 lower annual wages for a typical full-time, full-year worker. Despite the falsehood that RTW is better for the workers, it is clear that it is not. Our brothers and sisters in West Virginia will now have to brace themselves for the inevitable wage loss which permeates in RTW states.






**"I know. Let's play grownup. You be the heartless corporation that lays off Mommy and Daddy, and I'll auction off the house for taxes."**

## The Michigan Mess— The Perils of Capitalism

*By Paul Henry, PGO Field Representative*

Rick Snyder assumed the office of Michigan's Governor in 2011. During his gubernatorial campaign, he labeled himself as a true capitalist. Having served as chairman of the board for Gateway Computers as well as being a co-founder of a venture capitalist firm, he ran as a businessman who would be above the big party politics. He was a candidate that knew how to "get things done."

Even though Michigan has faced financial woes for years, things have only gotten worse under Snyder. The inherent problem with modeling governments after businesses is that big business puts profits over people. The government is supposed to protect and serve the electorate. What happens when "profits" are put before people? The water crisis in Flint Michigan and the current state of the Detroit City Schools.

After Snyder was elected, one of his "solutions" to many of the insolvent Michigan cities was to appoint emergency financial managers (EFMs). These EFMs have the ability to wield power the same as a dictator in a totalitarian regime. Under their rule, city budgets were slashed; union contracts were reopened mid-term to reduce the pay and benefits for workers.

In order to make cuts in Flint's budget, the city was required to transition from water coming from Detroit to the corrosive industrial dumping ground known as the Flint River. The headlines in the national news tell the rest of the story. The corrosive nature of the water from the Flint River ruined the city's pipes and caused lead to leach into the water. Reports have surfaced that the water could have been treated and this could have been avoided for a measly one hundred dollars a day. In the corporate world, one hundred dollars a day adds up. In the real world, this is a miniscule amount to pay to prevent the poisoning of an entire city.

If the Flint water crisis was not enough, the same EFM who was in charge of the city of Flint was appointed as the EFM for Detroit Public Schools. In the past few weeks, the Detroit teachers have engaged in "sickouts" to bring attention to the deplorable conditions they are expected to teach in. Black mold covers the walls and ceilings. Rodents run through classrooms filled with 40-50 students. The district is operating in a deficit, but these basic repairs necessary for the safety of the students should be top priority. As was the case in Flint, the EFM's only goal is to improve the financial outlook of the district, not protect the people.

The recent anger in this country towards politicians and bureaucracy has many people pondering if there is a better alternative. Before anyone makes the determination that a business model is better, one should look to our neighbors in the north and see whether they have benefited. Business worries about the bottom line, whether the actions it takes are profitable. How many people have lost their jobs due manufacturing being moved out of the country? This business decision was made because it was "profitable."

Profits do not guarantee prosperity for anyone other than the top 1 percent. If a government is run in this same manner and the needs of the people are set aside for a better looking balance sheet, we can expect more Flints and Detroits to show up across the country. A government is supposed to be "for the people, by the people" not "for the bottom-line, by the corporate elite."


The PGO Executive Board is scheduled to meet April 16, 2016 at 10:30 a.m. at the Montgomery County Children Services offices, 3304 North Main Street, Dayton, Ohio.