UNION CONCESSIONS BROUGHT ON BY TOUGH ECONOMIC TIMES

Collective bargaining between big-city governments and unionized municipal employees has been heavily influenced during the past year by the cities’ difficulties in balancing their budgets in tough economic times, according to a new report from the Pew Charitable Trusts’ Philadelphia Research Initiative. As a result, many municipal unions are being asked to make concessions affecting all of their members so as to prevent some from losing jobs. “This tense labor-management dialogue, in which unions are being forced to choose among painful alternatives, is one of several factors that have prolonged the budget process in some places well past the deadlines,” the report states.

Other factors include revenue estimates that continue to deteriorate, declines in state aid, and a tendency to put off hard decisions as long as possible. In Philadelphia, the major cause of delay was the city’s reliance upon action by the state legislature, “which did not come until the eleventh hour.”

A common pattern across the country has been for big-city mayors to talk initially about massive layoffs and then tell city unions that job losses can be averted only through across-the-board concessions, often characterized as temporary, usually including unpaid furlough days.

Examples of this pattern, include the following:

- In Chicago, Mayor Richard Daley (D) threatened as many as 1,500 layoffs if city labor unions failed to agree to a number of concessions, including furloughs. In the end, he laid off 431 workers, all of them from the two unions that did not agree.
- In Boston, Mayor Thomas Menino (D) confined city layoffs, 495, to unions that rejected his call for a wage freeze.
- In New York, where Mayor Michael Bloomberg (R) initially talked about nearly 4,000 layoffs, there have not been any so far, largely because city unions agreed that employees should make increased contributions to health care costs.
- In Seattle, city officials facing a new shortfall in August persuaded most of the city’s nonuniformed unions to take unpaid furloughs and said that any forthcoming layoffs might fall more heavily on noncomplying unions.
- In Detroit, Mayor Dave Bing (D) has said he will lay off more than 1,000 people, or one-tenth of his workforce, by late September unless unions agree to have their members take 26 unpaid furlough days this year.
- In Baltimore, city officials are working on a strategy for dealing with a new $60 million revenue shortfall, after having taken difficult steps to balance the city’s original budget.
- In Los Angeles, forced reductions among nonuniformed employees were averted when the city and the unions came up with an early retirement plan to reduce the workforce. The plan was funded in part by increased pension contributions from current and future workers. But the city, which has been spending $1 million more per day than it has been taking in, is still nowhere near balancing its budget.
