

Dispelling Myths On City Unions

By RANDI WEINGARTEN

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Even as thousands of city workers are losing their jobs, a lot of myths are circulating about the fiscal crisis, particularly about the role of municipal unions. The myths not only distort the true picture, but are a barrier to finding real solutions.

Myth 1:

The unions aren't sacrificing. Like other New Yorkers, city union members are paying higher taxes, transit fares and tuition costs at the city and state universities. In addition, they endured more than three years of wage freezes in the '90s. Yet now, Mayor Bloomberg wants them to give up the equivalent of \$2,000 a year in benefits or wage reductions. Who else is being asked to pay twice?

Myth 2:

The unions won't negotiate. We have offered hundreds of millions of dollars in savings, including strategies the mayor has used in the current fiscal year. We have offered to submit our ideas to third-party review. And we have offered to bargain around the clock. The mayor's answer has been no.

Myth 3:

Health benefit costs are bloated. The rate the city pays for health benefits is essentially equal to the rate paid for health maintenance organizations. The program is among the lowest-cost health plans in the region. Current increases in city health benefit costs closely track nationwide trends.

Myth 4:

Pensions are rising dramatically. While the city's contribution to municipal workers' pensions is up this year, that is caused primarily by a loss of asset value in the funds resulting from poor stock market performance. That loss is a function of the decline in the overall market.

Contributing to the increase is a pension-fund tactic then-Mayor Rudy Giuliani used to help pay for his tax cuts for 1999-2000. By revaluing fund assets at the height of the stock market boom, Giuliani was able to skim \$1 billion from the funds.

Critics who cite the recent increase in the city contribution don't acknowledge that they are comparing it with an unusually low base. For instance, in fiscal year 2000 (the base year used by the Citizens Budget Commission in its recent report) the city's employer contribution for pensions was at an all-time low, ranging from 1% for civilian employees to 10% for police officers. Twenty years before that, the employer contribution rates were 24% for civilians and 46% for police.

Myth 5:

Salaries are sky-high. Recent editorials, columns and opinion pieces in certain right-wing publications make this claim. But much of the increase in salaries - and concurrent benefit increases - results from mandatory overtime for police and firefighters after 9/11 and citywide increases in patrols and terror alert staffing. Even so, the salaries of police officers, teachers and many other city workers still lag behind their counterparts' in the surrounding area.

The bottom line is labor unions want to help the city solve its budget problems, but not by simply hacking away at the benefits and pensions earned by the hardworking employees who keep the city going.

If the mayor really wants to come to mutually acceptable settlements with his workforce, he needs to demonstrate more flexibility, creativity and cooperation instead of playing the blame game.

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