

Editorial: Fiscally Irresponsible

RICHARD STEIER | Posted: Monday, May 7, 2012 4:30 pm

Back in 2005, Mayor Bloomberg forced day-care employees, who had been working under a contract that expired late in the previous decade, to accept a wage deal that gave them raises for the entire period but without providing for back pay.

He could get away with it because, as employees of contractors rather than city workers, those involved were not eligible for arbitration under the city Collective Bargaining Law. Since they were also among the lowest-paid workers in the city, their unions decided they couldn't hold out any longer and swallowed a bad, potentially precedent-setting deal. The Mayor's having previously praised them for their dedication while acknowledging that they were underpaid sounded phony in retrospect.

Other city unions uttered barely a murmur in protest, perhaps because they figured it didn't affect them. But now, seven years later, Mr. Bloomberg is treating them with the same arrogant disdain, declaring last week that he will not agree to any new contracts that contain retroactive money.

He said this in response to a reporter's question about whether he was creating the possibility of a "retrotime-bomb" by failing to budget for raises that figure to occur for the municipal unions, some of which are working under contracts that expired anywhere from 21 months ago (the largest police and fire unions) to 2½ years ago (the United Federation of Teachers).

It is a reflection of the state of newspaper coverage in New York that what commentary his declaration inspired focused not on the nearly half-century tradition of retroactivity in municipal union contracts but on doing away with the Triborough Amendment to the state Taylor Law that ensures that once a wage pact expires, its terms continue in effect until a new accord is reached. The op-ed pieces on the subject repeated the canard that Triborough removes unions' incentive to bargain successor deals during tough times because they conclude their members are better off if the terms of the old deal drag on.

The real import of the amendment is that it ensures labor stability: if it were not in effect, unions would insist on new deals by the time the old ones were expiring. The potential disruption that could be caused to city services if there was a failure to complete agreements on time can be seen from the three strikes over a 40-year period staged by Transport Workers Union Local 100, the one group that more often than not maintained a policy of "no contract, no work" during that era, until the consequences of a walkout in late 2005 were so severe that it joined the rest of the city unions since then in confining its activities to either negotiation or arbitration.

Anyone believe the UFT would have sat back placidly if the Mayor in advance of its contract's expiration had announced that the days of back pay were over? Anyone imagine cops and firefighters would have idled serenely if they believed Mr. Bloomberg could make good on his threat?

Mr. Bloomberg's remarks last week amount to bluster, the kind that can lead his aides to roll their eyes in direct proportion to the degree to which he is veering into dangerous political waters. Given that he

previously concluded contracts with District Council 37 and Teamsters Local 237 that included 4-percent annual raises for part of the period in which he is pronouncing the UFT will be stuck with zero, he's living in a dream world if he believes his position will hold up.

And by insisting that a previously established bargaining pattern has no relevance, he is contradicting his own testimony in a 2005 Patrolmen's Benevolent Association arbitration case about the importance of honoring such a pattern to promote good labor relations. By doing so, as we noted last year, he is gift-wrapping an invitation for the PBA to go into arbitration and demand raises that would bring members pay parity with cops in neighboring suburbs who are paid at least 30 percent more, pointing out that the Mayor himself has contended that the raises negotiated by other city unions should have no relevance, in this case in limiting their award.

However this plays out, Mr. Bloomberg is sticking whoever succeeds him with a giant labor liability once the contracts are ultimately settled. As one union leader noted last week, the strains on the city's budget are not because its economy is in such desperate shape but because Mr. Bloomberg, much like Governor Cuomo in Albany, has decided that the political climate is ripe for ruling out tax hikes for wealthier New Yorkers and expecting government employees to do without.

In Mr. Cuomo's case, it can at least be said that he negotiated with the state's unions on a clean slate, getting them to agree to giveback-laden contracts but not preventing any of them from getting raises along the lines of those previously provided to other state employees. Mr. Bloomberg, in contrast, has announced a change in the rules in the middle of the game.

Because of the precedents, both in city bargaining history and in his own deals with some unions (the Sergeants' Benevolent Association, whose deal ran beyond that of the PBA, is another example of a union whose members got raises beyond the point where others' pacts expired), there is virtually no way that Mr. Bloomberg's position will stand up in the long run. It is predictable, however, that once the days of reckoning begin to arrive—more than likely on someone else's watch—in many quarters the criticism will be focused on “greedy” unions or “feckless” arbitrators, rather than on a Mayor who indulged a rich man's sense of entitlement to make his own rules and toss aside those that annoyed him.