

Forced-Unionism Abuses Exposed

The facts Big Labor bosses would rather you didn't hear about.

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Compulsory unionism breeds corruption. In each issue of "Exposed," the National Right to Work Committee will highlight yet another example of union-boss abuse spawned and perpetuated by Big Labor's government-granted privilege to force workers to pay union dues, or be fired.

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California Public-Sector Union Bosses Proving They Can Squeeze Blood From a Turnip

By declaring bankruptcy, an insolvent municipality may avoid paying its bondholders anything near what it owes them. It may even succeed in cutting public employees' health benefits. But it will not succeed in doing one thing that the bankrupt city of Vallejo, Calif., absolutely must do to get back on its feet: Rescind labor policies that encourage healthy municipal employees to retire when they are 50 or 55 with lavish pensions.

That is what public-sector union bosses are now out to prove in the Golden State. Two years ago this spring, Vallejo, a seemingly prosperous San Francisco suburb of roughly 120,000 residents, voted to file for Chapter 9 bankruptcy.

In 2008, Vallejo's budget, like those of many other California municipalities, had been driven deep in the red by government union bosses. Union officials wielding monopoly-bargaining power handed to them by state law had driven up taxpayer costs for compensation of public-safety employees and retirees so high that they consumed 74% of Vallejo's \$80-million general budget.

Public-safety employee wages, though surely generous, were not the reason municipal spending was out of control. The real culprits were overtime costs, driven by complicated and counterproductive Big Labor work rules, and pension costs, driven primarily by union boss-instigated retirements of employees still in the prime of their lives.

Early last year, U.S. Bankruptcy Judge Michael McManus upheld Vallejo's authority to void contracts negotiated with public-sector union monopoly-bargaining agents because of its bankruptcy. Last fall, the judge even dissolved one union contract.

Both before and since its bankruptcy was approved, the city has taken drastic steps to reduce expenditures. Vallejo's police force has been cut from 158 to 104 officers, even as violent crime skyrocketed. Residents have been warned to avoid calling 911 except in the direst of emergencies. Public employee health benefits have been significantly reduced.

But, as *Barron's* Senior Editor Jonathan Laing pointed out in a cover story for his publication last month, Vallejo's elected officials have yet to cut, even by a smidgeon, the "very thing that tipped the California city into Chapter 9 – its \$84 million in future pension obligations."

Public-sector union bigwigs throughout the Golden State and nationwide know that, if Vallejo succeeds in using its bankruptcy status to rewrite its pension policies so that municipal employees' overall retirement packages become roughly equivalent to those of private-sector employees, then the city will once again be viable. That's the last thing Big Labor wants.

In that event, dozens if not hundreds of localities in state after state that can't currently pay their bills because of outrageous government-union work rules and retirement schemes will be encouraged to file for Chapter 9 bankruptcy and follow in Vallejo's footsteps. That might well mark the beginning of the end of the free ride that government union bosses have long been getting on the backs of taxpayers across most of the country.

So far, Big Labor lobbyists have succeeded in intimidating the Vallejo City Council into dodging its responsibility even to propose and fight for major changes in public pension policies. Government union bosses nationwide are growing increasingly confident that they can continue to prevent the city from reining in its pension costs.

Then public-sector union bosses everywhere will be able to use Vallejo as an example of how bankruptcy is no solution for municipalities drowning in red ink due to union monopoly bargaining.

Indeed, bankruptcy is at best a treatment for the symptoms, not the disease. The real solution for Vallejo and many other distressed Golden State municipalities lies in the hands of the California Legislature, not city councils and boards of supervisors.

And that solution is to repeal all state laws forcing government officials to recognize the bosses of a single union as the "exclusive" (monopoly) bargaining agents of all the police officers or firefighters in a town or all the teachers in a school system, regardless of whether individual policemen, firefighters, or teachers are union members or not.

When California municipalities have the legally-protected authority to treat public employees as individuals, not as part of a union collective, they will no longer even need to consider bankruptcy as a means of getting public employee compensation costs under control.

Public officials will, whenever necessary, be able simply to alter their compensation policies to better serve the taxpayers for whom they are supposed to work.

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