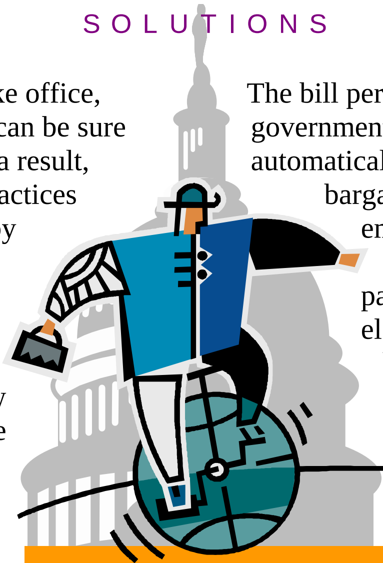

State of the Unions:

The Impact of Administrative Changes in State-Sector Labor Relations

By Philip Berg, Labor Relations

As the new administration prepares to take office, those of us working in state government can be sure that new policies are on the horizon. As a result, Missouri's labor relations policies and practices will most likely be specifically affected by the change in administration. Many state employees are curious about what changes are in store under the new administration, but neither the immediate nor ultimate effects of the new administration's labor relations policy are certain for state employees. As we have often done when evaluating or anticipating changes in the state's organizational policies, we have looked at state-sector labor relations practices in other states. Here are a few interesting scenarios that have unfolded recently in different states around the country:

California

Shortly after his inauguration, California Governor Arnold Schwarzenegger notified eight of the state's unions that he wanted to renegotiate their labor agreements. Several unions, including the California Correctional Peace Officers Association, which represents about 26,000 prison guards, have resisted cooperating with the governor. Weary of California's $14 billion dollar deficit, Schwarzenegger said he wanted to renegotiate labor agreements to competitively recruit new employees without overburdening taxpayers. California's previous governor, Gray Davis, won the support of labor unions in part by signing into law paid family leave, reinstating overtime rules, and boosting unemployment and worker's compensation benefits. Although California's legislature approved the state's effective labor agreements, critics have said that Davis conceded too much to state employee unions, including concessions that could have led to a progressive 37% pay raise for prison guards. In the midst of what was described as a state fiscal crisis, Davis had difficulty implementing some of the labor agreements and at one point found it necessary to renegotiate with the unions to defer raises in exchange for extra time off and other concessions.

Illinois

Soon after taking office in 2003, Illinois Governor Rod Blagojevich signed four bills in support of collective bargaining for public workers, further strengthening Illinois' current collective bargaining laws and policies.

The bill perhaps most relevant to the state's governmental administration requires employers to automatically recognize a union as the exclusive bargaining representative for a group of employees if the majority of the group signs union authorization cards, as opposed to participating in a regular secret-ballot election managed by an impartial public board.

Kentucky

In Kentucky, Governor Paul Patton developed the Governor's Employee Advisory Council by executive order in 2002. The council was a mechanism by which Patton's administration could bargain with state employee unions on policies that fell under the governor's authority; including health insurance, layoffs, vacation leave and job classification. When the executive order was issued Kentucky was experiencing a $533 million dollar budget shortfall and employees had not received annual pay raises due to the poor fiscal environment. One union official stated that labor organizations had waited 20 years under five governors to gain such a voice in Kentucky government, but collective bargaining's new status in the state proved to be short lived.

Shortly after succeeding Patton in 2003, current Kentucky Governor Ernie Fletcher rescinded Patton's executive order, eliminating the employee advisory council that had allowed employees to bargain wages and working conditions through labor unions. The unions chosen to represent state employees recently responded by suing Fletcher for abolishing the council and failing to honor labor agreements bargained during Patton's administration. Governor Fletcher said he intends to streamline and reduce state government to address the state's current $262 million dollar shortfall, without any layoff of the state's merit system employees.

Washington

Elected in 1996, Washington Governor Gary Locke began developing a civil service reform bill that he ultimately signed into law in 2002. The Civil Service Reform Law, which had been discussed under previous governors for nine years, was designed in part to expand collective bargaining among the state's

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employees to include bargaining over compensation and work rules. The law also requires the legislature to approve or reject a labor agreement as written in its entirety. Opponents of the bill have said that the law would encourage state employees to strike.

Currently about a dozen unions are negotiating individually for pay and working conditions in Washington but an additional seven are at the table as part of a coalition of 19 unions to talk about healthcare benefits only. Washington's largest labor union continues to negotiate with Locke's administration but has threatened a walk-out to protest the pace of negotiations regarding wages, health care benefits, seniority, and the outsourcing of certain state services that was mandated by the same law that gave employees expanded collective bargaining rights.

The winner of Washington's current gubernatorial race is yet to be certified due to an extremely close race and outstanding provisional ballots. Christine Gregoire, a union endorsed candidate, would likely continue many of the policies instituted by Governor Locke. Her challenger, Dino Rossi, has campaigned for a fresh start for Washington government and state administrators expect dramatic turnover if he is elected. According to the Sun newspaper of Bremerton, Washington, when Locke was first elected governor he chose the director of the state's largest labor union to head the Department of Labor and Industries and replaced about 60% of the state's agency directors.

Wyoming

In 2003, state employee unions in Wyoming threatened to strike in response to Governor Judy Martz's plan to give no pay raise to state employees due to a $232 million dollar budget deficit. Union officials argued that the governor's pay proposal actually represented a net decrease in pay for employees because the cost of providing insurance coverage for dependents was set to increase from the previous year's rate. Wyoming's current governor-elect, Brian Schweitzer, said he would not intervene in the state's present labor negotiations even though he was endorsed by organized labor during his campaign. The unions asked for a 6% pay raise but representatives of Governor Martz said that 3% was as high as she is willing to raise state employee pay.

Conclusion

What pearls of wisdom can the State of Missouri grasp from these examples of labor policy in transition? Clearly the only certainty inherent in an administrative transition is *uncertainty*. Many options are available to the state officials either directly or indirectly appointed to represent the public's interest and only time will tell us where those interests lie.

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