Negotiated changes in State and local government contracts, 1993

The net effect of negotiated increases, decreases, and freezes in settlements was a record-low increase in wage rates for the 1.7 million public-sector workers covered by 1993 settlements

Michael H. Cimini

Wage rate changes negotiated in 1993 in major collective bargaining settlements (those covering 1,000 workers or more) in State and local government were smaller, on average, than in the contracts they replaced.[1] This pattern has persisted for 4 consecutive years. In addition, the changes matched the record-low rates of those in 1992.

The smaller changes reflected the economic climate facing negotiators in the public sector. Most negotiators contended with decreasing tax revenues, increasing budget deficits, and, at best, slowly expanding economies. State and local government negotiators concentrated on how to keep expenditures down without reducing public services. For union negotiators, job security was the primary concern, followed by health care, then other economic items.

The majority of State and local government contracts were settled without protracted bargaining, unlike in 1992 when several States negotiated long after their old contracts had expired. The 1993 negotiated contracts continued the trend toward "backloading" (that is, delaying all or most of a wage rate increase until after the first contract year), curbing health care costs, and contracting out of some government services. Bargaining generally occurred without the threat of layoffs or furloughs, as management and labor compromised on issues and bargained realistically.

Michael Cimini is an economist in the Division of Developments in Labor-Management Relations, Bureau of Labor Statistics. Joan Borum and John Lacombe, economists in the Division, assisted in the preparation of this article.

Wage changes in settlements

Major settlements in 1993 provided changes in wage rates averaging increases of 1.1 percent in the first contract year and 2.1 percent annually over the term of the contract during the 12-month period ended in December 1993. (See table 1.) The last time the parties to these settlements bargained, the contracts provided larger increases (2.9 percent in the first year and 3.0 percent annually over the life of the contract)—the pattern for the last 4 years. In addition, changes under 1993 settlements tied the record lows recorded in 1992. The measure of wage rate changes excludes potential changes under cost-of-living adjustments (COLA's) and lump-sum payments. The average change is the net effect of increases, decreases, and no change in wages.

A total of 2.7 million workers are covered by collective bargaining settlements in State and local government; 1.7 million (or 63 percent) of them were covered by negotiations concluded in 1993. This was the highest rate of bargaining activity since 1985, when 68 percent of State and local government workers were covered under settlements.

Of the 1.7 million workers covered by 1993 settlements, about 1.1 million (about 66 percent) were employed by local government. The wage rate changes for these workers averaged an in-

Table 1. **Average (mean) changes in wage rates in State and local government collective bargaining settlements covering 1,000 workers or more, 12-month period ending in December, 1989–93**

Measure	1989	1990	1991	1992	1993
First-year change:[1]					
Current settlements	5.1	4.9	2.3	1.1	1.1
Replaced settlements	5.0	5.0	4.9	4.6	2.9
Annual change over life of the contract:[2]					
Current settlements	5.1	5.0	2.8	2.1	2.1
Replaced settlements	5.2	5.1	4.9	4.3	3.0

[1] Changes under settlements reached in the period and effective within 12 months of the contract effective date.

[2] Changes under settlements reached in the period expressed as an average annual rate over the life of the contract.

NOTE: Average (mean) changes include net increases, decreases, and zero change; excludes lump-sum payments and potential changes from COLA clauses.

crease of 1.9 percent annually over the contract term, compared with 2.4 percent in State government (576,000 workers). (See table 2.). The lower change in local government contracts reflects smaller increases as well as a higher proportion of local government workers for whom wages were frozen or cut in 1993. In most years since 1984, the average change in wage rates over the contract term were higher in local government than in State government.

About 78 percent (1.3 million) of the State and local government workers covered by settlements negotiated in 1993 will receive wage increases during the term of their contracts; 20 percent (339,000), typically local government workers in education, will not have a wage change; and 3 percent (46,000) — all in local government— will have their wages cut. (See table 3.) This contrasts with the 1984–90 period, when 94 to 99 percent of workers under settlements received wage increases, and few, if any, had their wages cut.

Government function. Settlements in education—primarily for teachers, but also for administrators and service employees—covered 47 percent (812,000) of the workers under 1993 settlements. These settlements provided wage rate changes averaging an increase of 1.9 percent a year over the contract term. Settlements in general administration covered 39 percent (661,000) of workers and called for a 2.1-percent average wage rate increase; protective services, 120,000 workers and a 3.0-percent increase; and health services, 68,000 workers and a 2.3-percent increase. (See table 2.) In 1993, unlike the years before 1991, wage rate changes were smaller under settlements in education than in the remainder of government.

Backloaded contracts. One way to contain labor costs under negotiated settlements is to backload the agreement. (Prior to 1992, backloaded agreements were not prevalent in State and local government contracts.) In 1993 settlements, 50 percent of workers were covered by backloaded contracts; 6 percent were covered by front-loaded contracts (that is, most of the wage increases occurred in the first year); and the remaining 44 percent by 1-year contracts or by multiyear contracts with the same rate of change in the first year and annually over the contract term. Backloaded settlements averaged a wage rate increase of 0.6 percent for the first contract year and 2.6 percent annually over the life of the contract. In front-loaded settlements, wage rate changes averaged increases of 1.2 percent in the first year and 0.1 percent annually over the contract term. Backloaded agreements were more prevalent in State government than in local government, and in settlements involving transportation, health services, and general administration units. The following tabulation shows the number of workers covered by backloaded contracts and the number of workers under backloaded agreements as a percent of workers under all major agreements in State and local government in 1993:

	Number	*Percent*
State and local government	856,400	50
State government	332,800	57
Local government	523,600	46
Government function:		
Transportation	21,100	84
Health services	45,200	66
General administration	431,800	65
Protective services	62,400	52
Education	277,900	34

Contract duration. State and local government settlements negotiated in 1993 had a longer average duration than the agreements they replaced—26 months, compared with 22 months. (Table 4 shows duration of contracts by selected characteristics.) Although slightly more than a third of all State and local government workers were covered by 1993 settlements with a duration of less than 12 months, the average duration of settlements in 1993 was longer than in most prior years, reflecting the comparatively large proportions of workers, 37 percent (or 625,000 workers), covered by settlements with a duration of 36 months or longer. Settlements extending for 3 or more years had wage changes averaging an increase of 2.7 percent a year, compared with 1.7 percent a year for contracts with a duration of 12 or fewer months. (See table 4.) The lower average wage change in shorter term contracts reflects, in part, the influence of settlements

in primary education, which had lower wage changes than the other major government functions.

Compensation changes

Wages are only part of the economic package affected by a settlement; benefits also may change. Thus, a comparison of changes in compensation (wages and benefits) permits a more comprehensive analysis than a comparison based on changes in wages only. Data on compensation changes are for major collective bargaining settlements covering 5,000 or more workers.

Rate changes. The measure of change in compensation rates covers the ongoing wage and benefit rate structure, but excludes lump-sum payments which are not part of the ongoing rate. In settlements covering 5,000 or more workers—63 percent of all workers under State and local government bargaining in 1993—the average change in compensation rates was an increase of 0.9 percent in the first year and 1.8 percent annually over the contract term. (See table 2.) These were the lowest (or next to lowest) compensation rate changes recorded since the series began in 1984. More than three-fourths of workers covered by State and local government settlements were under settlements with compensation rate increases, and one-fifth of workers did not receive an increase.

Compensation rate changes in 1993 settlements averaged an annual increase of 2.1 percent over the contract term in State government and 1.6 percent in local government. Typically, the average change over the contract term has been higher in local government than in State government. The reversal of the relationship in 1993 reflects the large proportion of State government workers under settlements with above-average increases in wages and wage-related benefits, and the large proportion of local government workers under settlements with below-average increases in wages and wage-related benefits or a wage cut.

Settlements in general administration accounted for 49 percent (523,000) of workers in-

Table 2. **Average (mean) changes in wage and compensation rates, State and local government collective bargaining settlements negotiated in 1993**

[In percent]

Measure	First-year change[1]	Annual change over the life of the contracts[2]	Number of workers (thousands)[3]	Number of settlements
Wage changes in settlements covering 1,000 workers or more				
All State and local government	1.1	2.1	1,711	398
State government	1.3	2.4	576	93
Local government	1.0	1.9	1,134	305
Government function:				
General government and administration	.9	2.1	661	93
Education	1.3	1.9	812	220
Primary and secondary	1.3	1.8	717	193
Colleges and universities	1.3	2.0	96	27
Protective services	1.7	3.0	120	41
Health services	1.0	2.3	68	24
Other[4]	1.3	2.4	48	20
Compensation changes in settlements covering 5,000 workers or more				
All State and local government	.9	1.8	1,070	78
State government	1.2	2.1	443	29
Local government	.7	1.6	627	49
Government function:				
General government and administration	.7	1.9	523	28
Education	1.0	1.4	442	37
Other[5]	1.2	3.0	105	13

[1] Changes under settlements reached in the period and effective within 12 months of the contract effective date.

[2] Changes under settlements reached in the period expressed as an average annual rate over the life of the contract.

[3] Because of rounding, sums of individual employment items may not equal totals.

[4] Includes units in transportation, construction, recreation, social services, and housing authorities.

[5] Includes units in health services, protective services, transportation, and housing authorities.

NOTE: Changes are the result of net increases, decreases, and zero change in wages. All measures exclude any cash or benefit lump-sum payments and potential changes from COLA clauses.

volved in these large settlements in 1993. They provided compensation rate changes averaging an increase of 1.9 percent a year. Settlements in education covered 41 percent (442,000) of workers and called for a 1.4-percent annual average compensation rate increase.

Cost changes. The measure of change in compensation costs in settlements covering 5,000 or more workers includes the ongoing wage and benefit rate structure and lump-sum payments and also accounts for the length of time wage and benefit changes are in effect during the contract.

The change in compensation cost over the life of the contract in 1993 averaged an increase of 1.0 percent a year. (See table 5.) This was the next-to-lowest compensation cost increase recorded since compensation cost changes were first measured in 1988. Settlements in State government (for 443,000 workers) averaged an increase of 1.2 percent a year, compared with 0.8 percent in local government (for 627,000 workers).

Changes in employer costs for cash payments to workers (including wages and lump-sum payments) and wages alone each averaged an increase of 1.0 percent a year over the life of the contract. (Typically, relatively few State and local government workers are covered by settlements with lump-sum payments; in 1993, almost three-fifths of the 248,000 workers under settlements specifying lump-sum payments were employed by the States of New York and Michigan.) Changes in benefit costs averaged an increase of 0.8 percent a year over the contract term. (See table 5.)

Wage rate change—all agreements

Workers under all major collective bargaining agreements in the public sector can receive changes in wage rates from several sources: settlements that occurred in the year, settlements reached in earlier years, and cost-of-living clauses (typically, based on a formula tied to the Consumer Price Index).

The average change in wage rates for the 2.7 million workers under all major contracts in effect in State and local government in 1993 was an increase (the net effect of increases and decreases from all sources) of 2.8 percent—1.6 percent from settlements reached in 1993, 1.1 percent from agreements reached earlier, and less than 0.05 percent from cost-of-living adjustments. (See table 6.) This was the third lowest wage rate change under all major settlements in any year since the series began in 1984 and re-

Table 3. **Distribution of workers by average changes in wage rates, State and local government collective bargaining settlements negotiated in 1993 covering 1,000 workers or more**

Measure	First-year change[1]			Annual change over life of the contract[2]		
	All government	State government	Local government	All government	State government	Local government
Number of workers (thousands)[3]	1,711	576	1,134	1,711	576	1,134
Percent of workers under settlements with—						
No wage change	58	52	60	20	18	21
Wage decreases[4]	3	0	4	3	0	4
Wage increases	40	48	36	78	82	75
Under 3 percent	13	11	14	45	34	50
3 and under 4 percent	18	33	11	20	33	14
4 and under 5 percent	4	2	5	9	13	7
5 percent and over	4	2	6	4	2	4
Changes (percent):[5]						
Mean change	1.1	1.3	1.0	2.1	2.4	1.9
Median change	0	0	0	2.2	2.7	2.2
Mean increase	3.0	2.7	3.2	2.8	3.0	2.7
Median increase	3.0	3.0	3.0	2.4	3.0	2.2

[1] Changes under settlements reached in the period and effective within 12 months of the contract effective date.

[2] Changes under settlements reached in the period expressed as an average annual rate over the life of the contract.

[3] Because of rounding, sums of individual employment items may not equal totals.

[4] Distributions are not shown separately to protect confidentiality.

[5] Mean and median changes include net increases, decreases, and zero change. Mean and median increases refer to settlements with a net increase. Data exclude lump-sum payments and potential changes from COLA clauses.

Table 4. **Duration of contracts covering 1,000 workers or more with rate changes in major collective bargaining settlements negotiated in 1993, by selected characteristics**

Measure	All contracts	12 months or less	More than 12 months, but less than 24 months	24 months	More than 24 months, but less than 36 months	36 months	More than 36 months
Number of settlements	398	168	33	79	16	60	42
Number of workers (thousands)	1,711	622	91	334	38	212	413
Average contract duration (months)	25.7	11.5	15.6	24.0	26.5	36.0	45.3
Percent change in wages:[1]							
Annualized over the life of the contract	2.1	1.7	1.2	1.7	2.4	3.5	2.3
First contract year[2]	1.1	1.7	.9	.9	1.7	1.7	.1
Second contract year[3]	1.9	...	.8	2.4	1.6	2.9	1.2
Third contract year[4]	4.7	...	...	...	2.1	6.2	4.1

[1] Changes are the result of net increases, decreases, and zero change; data exclude lump-sum payments and potential changes from COLA clauses.

[2] Data are not annualized.

[3] Average is based only on settlements with a duration greater than 12 months.

[4] Average is based only on settlements with a duration greater than 24 months.

flected a substantial decline from the 1984–90 period, when the annual wage rate change was an increase ranging from 4.6 percent to 5.7 percent.

The comparatively low average wage change in 1993 resulted from substantial drops in wage changes brought about by settlements negotiated in prior years and fairly modest wage rate changes specified in current settlements. The change from settlements reached in earlier years (a 1.1-percent increase) was the lowest since 1984, when the series was first tabulated. Because of the low prevalence of COLA provisions in State and local government agreements, the contribution from COLA's in 1993, as in earlier years, was minimal. About 27,700 workers had COLA reviews in 1993—24,000 of them (all in local government) had COLA increases averaging 1.6 percent.

Wage rate changes for the 1.1 million workers under all major contracts in State government averaged an increase of 3.5 percent, compared with a 2.3-percent increase for 1.6 million workers under such contracts in local government. (In all but one year since 1987, the average wage rate change for local government employees exceeded the average change for State government employees.) The larger change for State government workers primarily reflected the effects of changes from contracts reached earlier—a 1.8-percent increase for State government employees, compared with a 0.7-percent increase for local government employees.

Several factors play a role in the size of the average wage rate change. The proportion of workers receiving a wage increase and the size of the increase push up the average wage rate change. The proportion of workers with no change in wages, and the proportion whose wages decrease, coupled with the size of the decrease, moderate the overall wage rate change.

Approximately 1.8 million workers (68 percent) received a wage rate increase (the net effect of increases and decreases from all sources) averaging 4.1 percent, the lowest in any year since the data were first tabulated in 1984. About 880,000 (32 percent) of the 2.7 million workers covered by major contracts in State and local government had no wage change during 1993. Nearly 46,000 workers (2 percent) had a net wage decrease.

Specific settlements

The following discussion highlights wage and benefit changes in public sector settlements in selected States and cities. Unions are affiliated with the AFL–CIO, except where listed as independent.

Florida negotiated agreements for seven bargaining units covering 116,000 employees. About 69,700 workers, represented by the American Federation of State, County and Municipal Employees, agreed to contract terms specifying a wage increase of 3 percent on October 1, 1993. (The contract will be reopened for wage and benefit terms in 1994.) The Florida Nurses Association (Independent), representing 4,700 employees, agreed to similar contract terms.

The Florida University System negotiated agreements with the United Faculty of Florida

for 7,000 faculty members and 3,200 graduate assistants. For both units, the 2-year agreements provided a wage increase of 2 percent on October 1, 1993 (the contract for graduate assistants also called for a reopener on wages in 1994). Negotiators for the University System also signed a 3-year contract with the State, County and Municipal Employees for 13,200 noninstructional workers, who will receive a 3-percent wage increase in October 1993, and wage and benefit reopeners in 1994 and 1995.

The Florida Police Benevolent Association (Independent), bargaining for 18,300 protective service employees negotiated 3-year agreements providing wage increases of 3 percent in October 1993, and wage and benefit reopeners in 1994 and 1995.[2]

Massachusetts and three bargaining units, covering 42,300 employees represented by an alliance comprising the State, County and Municipal Employees, the Service Employees International Union, and the National Association of Government Employees, negotiated 3-year agreements providing wage increases of 6 percent, retroactive to December 1992, and 7 percent in June 1993.[3]

Michigan reached agreement on contracts covering approximately 48,700 employees in 11 bargaining units. All of the settlements provided for controlling future health care costs and using the savings to provide additional raises for workers. One of the settlements, with the United Automobile Workers, also included a lump-sum payment of $750 in October 1994.

Three unions, covering 8,700 employees, ratified identical 26-month agreements that provided wage increases of 1 percent in October 1993, 2 percent in October 1994, and 3 percent in October 1995; and lump-sum payments of $750 in October 1994 and $600 in October of both 1995 and 1996. Similar terms were negotiated for an additional 9,000 workers, except the lump-sum payments were $250, $500, and $600, respectively.

Wage and benefit freezes were negotiated in agreements with the State, County and Municipal Employees covering 4,300 institutional employees and the Michigan State Police Troopers Association covering 1,700 enlisted personnel.[4]

New York concluded negotiations with 60,000 workers, including 56,000 professional, scientific, and technical employees, represented by the Professional Employees Federation (Independent), whose members had been without a contract since 1991. The 4-year agreement provided, among other terms, wage increases of 4 percent retroactive to April 1, 1993, 4 percent in April 1994, and 1.25 percent in October 1994; lump-sum payments to pay back 3 of the 5 days of pay that were held by the State under a 1990 law; replacement of the employee benefit fund covering dental and vision care and prescription drugs with the same system that governs benefits of nonunion employees; and a managed health care program for employees on workers' compensation which gives them up to 60 percent of their salary for using a network physician.[5]

Pennsylvania concluded negotiations with eight bargaining units covering 73,000 employees. The single largest unit, 42,000 workers, approved a 3-year agreement providing wage increases of 3 percent in July 1993, and 3.5 percent in July of both 1994 and 1995; a 60-cent-an-hour shift differential in July 1993 (65 cents in 1994 and 75 cents in 1995); a compressed pay scale; and payment of step increases in January of each year. Three additional bargaining units, covering almost 15,000 workers, accepted similar contract terms, except for the increase in shift differentials.[6]

Table 5. **Average (mean) changes in the cost of compensation and components, annualized over the life of the contract, State and local government collective bargaining settlements covering 5,000 workers or more, 12-month period ending in December 1991–93**

[In percent]

Component	1991	1992	1993
All State and local government:			
Compensation	2.0	0.8	1.0
Cash payments[1]	1.3	1.0	1.0
Wages	1.3	.9	1.0
Benefits	2.0	.7	.8
Without contingent pay provisions:			
Compensation	2.0	.8	1.0
Cash payments[1]	1.3	.9	1.0
Wages	1.3	.9	1.0
Benefits	2.0	.7	.8
With contingent pay provisions:[2]			
Compensation	—	.9	—
Cash payments[1]	—	1.0	—
Wages	—	1.0	—
Benefits	—	.8	—
State government:			
Compensation	2.4	.9	1.2
Cash payments[1]	1.5	.9	1.3
Wages	1.5	.9	1.2
Benefits	2.3	.7	.9
Local government:			
Compensation	1.2	.8	.8
Cash payments[1]	1.1	1.1	.9
Wages	1.0	1.0	.8
Benefits	1.5	.7	.7

[1] Cash payments include wages and lump-sum payments.

[2] Include COLA clauses and/or contingent lump-sum payment clauses.

NOTE: Changes include net increases, decreases and no change; exclude potential change from contingent pay provisions. Data are for changes under settlements reached in the period expressed as an average annual (compound) rate over the life of the contract. Dash indicates data not available.

The city of *Chicago* (Illinois) negotiated for 10,900 patrol officers and the Chicago Transit Authority concluded a settlement for 10,000 transit employees. The 42-month police contract provided, among other terms, wage increases of 3 percent retroactive to January 1992, 4 percent retroactive to January 1993, 4 percent in January 1994, and 2 percent in January 1995; and lump-sum payments of $260 in January of each year of 1993, 1994, and 1995. The transit workers' 3-year contract provided wage increases of $1.05 an hour over the term; an employee copayment equal to 75 percent of all annual increases in health care premiums beginning January 1, 1994; and an increase in the ratio of part-time to full-time bus drivers.[7]

The Chicago Teachers Union (American Federation of Teachers) reached agreement with the Board of Education for 30,000 teachers. The 2-year pact called for a wage freeze over the term and instituted employee contributions to health care of 1.5 percent of annual salary.

Los Angeles County (California) concluded agreements covering more than 52,000 employees. About 33,700 artisans, clerical, office, blue-collar, and social and health care employees, most represented by the Service Employees, were covered by 2-year agreements that provided a 2-percent wage increase in October 1994. Nearly 8,200 health care, skilled craft, and social services workers, represented by the Service Employees and the Building Construction and Trades Council, were covered by 2-year agreements calling for no economic or language changes in contract terms. An additional 6,500 peace officers were covered by 2-year agreements that included a 4-percent wage increase in June 1993.

Los Angeles (California) *Unified School District,* the Nation's second largest school district, completed negotiations with its teachers and several groups of noninstructional employees. The 33,000 members of the United Teachers of Los Angeles ratified a 2-year agreement that provided for a reduction in annual salary in the first year—8 percent through furloughs and 2 percent through a reduction in the salary schedule; cost containment features in the health benefits program; and a wage and benefit reopener in June 1993. The agreement was not reopened because of school district revenue problems. However, contracts were reopened for 32,600 noninstructional employees; the resulting 1-year agreements continued existing contract terms with minor language changes.

New York City (New York) reached agreement with several uniformed and nonuniformed employee unions through a series of pattern contracts. The largest number of workers (112,000) was represented by the State, County and Municipal Employees, which settled on a 39-month agreement providing a $700 pensionable lump-sum payment upon ratification; wage increases of 2 percent in July of both 1993 and 1994, and 3 percent in December 1994; an annual contribution by the city of $1,025 per employee to the union-adminstered welfare fund in July 1993 ($1,135 in 1994), in addition to a lump-sum payment to the fund of $125 per employee retroactive to January 1993; and equity fund payments totaling $20 million for all employees under the city's coalition bargaining. This settlement served as a pattern for an additional 30,000 employees of the city's Board of Education.

Late in 1993, 87,000 other Board of Education employees, including 66,000 teachers, reached agreement on 48-1/2 month accords calling for 2-percent salary increases retroactive to

Table 6. **Average annual changes in wage rates in State and local government collective bargaining agreements covering 1,000 workers or more, 1991–93, by source**

[In percent]

Item	1991	1992	1993
Average wage rate changes	2.6	1.9	2.8
Change from:			
Current settlements	.6	.8	1.6
Prior settlements	1.8	1.1	1.1
COLA provisions	1	(1)	(1)
Change, by government function:			
General government and administration	2.6	1.9	2.8
Education	2.5	2.0	2.5
Primary and secondary	2.6	2.1	2.3
Colleges and universities	2.2	1.1	3.3
Protective services	2.8	1.2	2.9
Health services	2.2	1.9	3.7
Transportation	2.3	3.4	2.5
Other	3.1	.7	3.1
Average wage rate increase [2]	4.7	4.6	4.1
Increase from:			
Current settlements	3.7	5.1	4.0
Prior settlements	4.5	4.3	3.8
COLA provisions	2.1	2.7	1.6
Number of workers receiving wage increases (thousands) [3]	1,425.5	1,125.3	1,849.4
Receiving increase from:			
Current settlements	428.6	441.7	1,119.0
Prior settlements	1,062.2	676.2	803.9
COLA provisions	176.3	22.6	24.0
Number of workers not receiving a wage increase (thousands)	1,198.7	1,544.3	880.0

[1] Value less than 0.05 percent.

[2] Reflects only contracts in which the net effect of increases and decreases from all sources is a wage rate increase.

[3] The employment total does not equal the sum of employment for each source because some workers receive wage changes from more than one source.

NOTE: Changes include increases, decreases, and zero change in wages stemming from current settlements, settlements reached in a prior period, and COLA clauses.

April 1993 and in April 1994, 3 percent in October 1994, and 1.84 percent in April 1995; and $100 increases per employee in the union-administered welfare fund in July of 1994 and 1995, in addition to a lump-sum payment of $125 per employee upon ratification.

The city and 10,500 correction officers represented by the Correction Officers Benevolent Association (Independent) signed a 15-month agreement that provided wage increases of 3.5 percent retroactive to July 1990 and 1 percent retroactive to July 1991, and reduced annuities for those hired after July 1993.

The City University of New York and 17,800 teachers and administrators represented by the Professional Staff Congress negotiated a 64-month contract that provided wage increases of 3 percent retroactive to November 1990, 1.5 percent retroactive to November 1992, and 4 percent in both February and November of 1994; and $975 annual contributions per employee to the joint welfare fund retroactive to September 1990 ($1,075 in 1994 and $1,175 in 1995), in addition to lump-sum payments of $125 per employee to the fund upon ratification of the agreement and approximately $7 million in April 1994. □

Footnotes

[1] For data on 1993 settlements in private industry, see "Compensation gains moderated in 1993 private industry settlements," *Monthly Labor Review*, May 1993, pp. 46–56.

Comparisons of major collective bargaining settlements for State and local government with those for private industry should note differences in occupational mix, bargaining practices, and settlement characteristics. Professional and other white-collar employees, for example, make up a much larger proportion of the workers covered by government than by private industry settlements, while lump-sum payments and cost-of-living adjustment clauses are less common in government than in private industry settlements. Also, State and local government bargaining frequently excludes items that are prescribed by law (pension benefits and holidays, for example); these items are typical bargaining issues in private industry. For a detailed description of how occupational mix and industry activity affect the comparison, see Richard E. Schumann, "State and local government pay increase outpace five-year rise in private industry," *Monthly Labor Review*, February 1987, pp. 18–20.

[2] See *Monthly Labor Review*, January 1994, p. 31, for additional details of settlements in Florida.

[3] See *Monthly Labor Review*, January 1994, p. 31, for additional details of settlements in Massachusetts.

[4] See *Monthly Labor Review*, January 1994, p. 31, for additional details of settlements in Michigan.

[5] See *Monthly Labor Review*, January 1994, pp. 31–32, for additional details of settlements in New York.

[6] See *Monthly Labor Review*, January 1994, p. 32, for additional details of settlements in Pennsylvania.

[7] See *Monthly Labor Review*, January 1994, p. 32, for additional details of settlements in Chicago.