Collective bargaining in State and local government, 1994

After record lows were posted in 1992 and 1993, negotiated changes in wage rates rebounded under major settlements reached in 1994

Charles J. Muhl

State and local government workers covered by major collective bargaining agreements up for negotiation in 1994 fared somewhat better in terms of wage changes than they had the last time their contracts were negotiated.[1] Wage rate changes under 1994 settlements covering 1,000 workers or more were higher, on average, than the changes specified in 1993 and 1992 pacts—both record lows—as well as those negotiated in 1991. They were, however, not as high as those contained in settlements that were reached prior to 1991.

The larger changes negotiated in 1994 reflect, in part, the effects of an improving economy on the bargaining climate for the public sector generally, although conditions varied from jurisdiction to jurisdiction. From mid-1990 through 1992, the U.S. economy endured a recession and a sluggish recovery, during which tax revenues declined and budget deficits rose in many State and local jurisdictions. These circumstances forced negotiators to try to freeze salaries, increase employee contributions for benefits, and implement furlough days and layoffs.

As the economy gained strength over the past 2 years, the incidence of such cost-cutting measures in State and local government declined, although management negotiators continued to seek to hold labor costs down without a corresponding decrease in public services. Employee representatives, however, tended to focus more on wage increases than on job security, especially for larger bargaining units in which workers had taken wage cuts or freezes under the expiring contracts, and in States and localities in which economic conditions were improving.

In 1994 pacts, the proportion of workers receiving wage increases over the contract term rose noticeably. Furthermore, the incidence of "backloading" contracts (that is, delaying all or most of a wage rate increase until after the first contract year), which had risen substantially in 1992 and 1993, decreased during 1994. Many major contracts also included improvements in health and welfare benefits, which had generally been curbed during the economic downswing. Few jurisdictions bargained under the threat of layoffs or furloughs.

Wage rate changes in 1994 pacts

Major settlements in 1994 provided wage rate changes averaging an increase of 2.7 percent in the first contract year and 3.0 percent annually over the contract term. Corresponding changes in the agreements they replaced—primarily negotiated during 1992 and 1993—were increases of 2.0 and 2.8 percent, respectively. (See table 1.) The higher annual over-the-life wage rate change specified under 1994 settlements reversed a pattern established over the previous 4 years, during which changes had been smaller in newly negotiated contracts than in the contracts being replaced. Furthermore, the 3.0-percent wage rate change over the contract life was higher than those negotiated in new contracts from 1991 to 1993, which ranged between 2.1 and 2.8 percent, but lower than those in the 1987–90 period, which ranged between 5.0 and 5.7 percent.

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A total of 2.8 million workers were covered by major collective bargaining agreements in State and local government in 1994; 1.2 million (42 percent) of them were covered by negotiations concluded in the year. Nearly nine-tenths (slightly more than 1 million) of the State and local government workers covered by 1994 settlements will receive wage increases during the term of the contracts. Almost all of the rest will not have a wage change. (See table 3.) The percentage of workers who will receive wage increases from settlements was higher in 1994 than in 1991–93, when it ranged from 77 to 78 percent, but lower than in 1985–90, when between 96 and 99 percent of covered workers had wage gains.

Level of government. Local governments employed about 828,000 (70 percent) of the 1.2 million workers covered by 1994 settlements. Wage rate changes for these workers averaged an increase of 3.0 percent annually over the contract term, compared with 3.2 percent for State government workers (354,000). The lower wage increase in local government contracts reflects smaller wage increases as well as a greater incidence of wage freezes for local than for State government workers during 1994. (See table 3.) This was the second consecutive year in which wage rate changes were higher in State government than in local government, although the reverse relationship had been true in most years prior to 1993.

Government functions. About 47 percent (558,000) of the employees under settlements negotiated during 1994 worked in education, the vast majority for local governments. (See table 2.) Agreements in education are primarily for teachers, although administrative and support personnel are also covered. Settlements in education in 1994 provided wage rate changes averaging an increase of 3.3 percent a year over the contract term, tied for the highest rate of wage increase among government functions. College and university employees, who typically work for State governments, averaged an increase of 4.2 percent annually over the contract term, while primary and secondary education employees, who typically work for local governments, had wage changes averaging 3.2 percent. Contracts in general administration covered the next largest group, 32 percent (383,000) of workers, and called for a 2.6-percent average annual wage rate increase. These were followed by protective services, 10 percent (121,000) of workers and a 3.3-percent increase, and health services, 4 percent (49,000) of workers and a 3.1-percent increase.

The average annual wage rate change negotiated in 1994 education settlements (3.3 percent) was higher than the average change for the remaining settlements in State and local government (2.8 percent). This also had been true for the 1985–90 period, when settlements in education provided increases ranging between 5.5 and 6.3 percent each year, while the increases for the remainder of government ranged between 4.4 and 5.3 percent. From 1991–93, however, wage rate changes were smaller under settlements in education (between 1.8 and 2.1 percent) than in the remainder of government (between 2.3 and 3.2 percent).

Backloaded contracts. One way to contain labor costs under a multi-year settlement is to "backload" the agreement. Backloaded settlements, which previously had not been prevalent in State and local government, increased in incidence during 1992 and 1993, covering between 50 and 52 percent of workers, in part because of the restrictive economic climate facing negotiators. With a more favorable economy in 1994, the proportion of workers covered by backloaded settlements reached during the year declined to about 33 percent. A total of 53 percent were covered by contracts that were evenly loaded, either because they had a duration of 1 year or less (43 percent of the workers) or because they had the same rate of change in the first year and annually over the contract term. Fourteen percent of the workers were covered by front-loaded contracts.

Backloaded 1994 settlements specified a wage rate change averaging an increase of 1.3 percent for the first contract year and 3.0 percent annually over the life of the contract, while in front-loaded settlements, the corresponding changes were 4.5 percent and 3.3 percent, respectively. Among 1-year contracts and multi-year contracts with the same rate of change in the first year and annually over the contract term, the wage rate change averaged 3.0 percent. Backloaded agreements covered a higher proportion of workers in local government than in State government. Although most backloaded settlements occurred in education and, to a lesser extent, general administration units, the highest proportion

Table 1

Mean changes[1] in wage rates in State and local government collective bargaining settlements covering 1,000 workers or more, 1990–94

Measure	1990	1991	1992	1993	1994
First-year change:[2]					
Current settlements	4.9	2.3	1.1	1.1	2.7
Replaced settlements	5.0	4.9	4.6	2.9	2.0
Annual change over life of the contract:[3]					
Current settlements	5.0	2.8	2.1	2.1	3.0
Replaced settlements	5.1	4.9	4.3	3.0	2.8

[1] Mean changes include net increases, decreases, and zero changes, but exclude lump-sum payments and potential changes from cost-of-living adjustment clauses.

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

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

Table 2. Mean changes[1] in wage and compensation rates, State and local governments collective bargaining settlements negotiated in 1994

[In percent]

Measure	First-year change[2]	Annual change over the life of the contracts[3]	Number of workers (thousands)[4]	Number of settlements
Wage changes in settlements covering 1,000 workers or more				
All State and local government	2.7	3.0	1,182	332
State government	3.0	3.2	354	53
Local government	2.5	3.0	828	279
Government function:				
General government and administration	2.2	2.6	383	77
Education	3.1	3.3	558	187
Primary and secondary	2.9	3.2	494	170
Colleges and universities	4.4	4.2	65	17
Protective services	2.3	3.3	121	37
Health services	3.0	3.1	49	16
Other[5]	2.1	2.5	71	15
Compensation changes in settlements covering 5,000 workers or more				
All State and local government	2.8	3.1	619	51
State government	2.8	2.9	267	16
Local government	2.8	3.3	352	35
Government function:				
General government and administration	2.3	2.7	267	17
Education	3.4	3.6	232	24
Protective services	1.8	2.9	63	5
Other[5]	3.6	3.4	58	5

[1] Mean changes include net increases, decreases, and zero changes, but exclude lump-sum payments and potential changes from cost-of-living adjustment clauses.

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

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

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

[5] Includes units in transportation and public utilities.

of workers (48 percent) covered by backloaded agreements among government functions was in protective services. The following tabulation shows the number and share of workers under backloaded agreements in 1994, by level of government and function:

	Number	*Percent*
State and local government	390,600	33
Local government	291,400	35
State government	99,200	28
Government function:		
Protective services	58,200	48
Transportation	28,700	47
General administration	164,000	43
Education	130,100	23

Contract duration. State and local government settlements negotiated in 1994 had a longer average duration than the agreements they replaced—22.4 months, compared with 20.5 months. (See table 4.) The average duration of settlements in 1994 was shorter than that recorded for 1993 settlements (26 months), but similar to historical figures. About 40 percent (474,000) of all State and local government workers were covered by 1994 settlements with a duration of 12 months or less, while 31 percent (363,000) were covered by contracts with a duration of 36 months or longer. Settlements with a duration of 12 or fewer months had wage rate changes averaging an increase of 3.2 percent, compared with 2.7 percent annually for contracts with a term of 36 months or longer.

The greater average wage change in shorter-term contracts reflects, in part, the influence of settlements in education. Fifty-one percent of all State and local government workers under 1994 settlements in education were covered by contracts of 12 months or less, with a wage rate change averaging 3.3 percent annually over the contract term. Only 12 percent of workers in education were covered by contracts of 36 months or more, providing an average increase of 2.6 percent annually over the contract term.

Compensation changes in 1994 pacts

Wages are a substantial part of the economic package affected by a settlement, but benefits also may change. Thus, an examination of changes in compensation, which includes both wages and benefits, permits a more comprehensive analysis than a comparison based on wage changes alone. Note that the 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 that are not part of the ongoing rate.

In settlements covering 5,000 or more workers, which accounted for 52 percent (619,000) of all workers under State and local government settlements in 1994, the average change in

compensation rates was an increase of 2.8 percent in the first year and 3.1 percent annually over the contract term. (See table 2.) Nearly 97 percent of workers in these large bargaining units in 1994 received a compensation rate increase, while almost all the rest had no change in compensation rates.

Compensation rate changes in 1994 settlements averaged 3.3 percent annually over the contract term in local government and 2.9 percent in State government. In most years, the average wage rate changes have been higher in local government than in State government.

The general administration function accounted for 43 percent (267,000) of workers involved in these large settlements in 1994, providing compensation rate changes averaging 2.7 percent per year. Settlements in education covered 37 percent (232,000) of workers and called for a 3.6-percent average annual 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. Unlike rate change data, cost changes include lump-sum payments and account for the length of time wage and benefit changes are in effect during the contract. The change in compensation costs over the life of the contract in 1994 averaged an increase of 2.2 percent a year, reversing a 3-year downward spiral that began in 1991. (See table 5.) Settlements in local government (for 352,000 workers) averaged an increase of 2.5 percent per year, compared with 1.9 percent in State government (for 267,000 workers).

Changes in employer cost for cash payments to workers (which includes wages and lump-sum payments) and for wages alone each averaged 2.1 percent a year over the contract term. The identical increases in these two measures are due to the scarcity of lump-sum payments in State and local government contracts. Only four settlements covering 61,100 workers included such payments. Changes in benefit costs averaged an increase of 2.7 percent a year over the contract term.

Wage rate changes, all agreements in effect

Workers under collective bargaining agreements in the public sector can receive wage rate changes from several sources: Settlements that occurred during the year, settlements reached in earlier years calling for changes in the current year, and cost-of-living adjustments (typically, based on a formula tied to the Consumer Price Index).

The average change in wage rates (the net effect of increases, decreases, and freezes from all sources) for the 2.8 million workers under all major State and local government contracts in effect during 1994 was an increase of 3.3 percent—1.4 percent from settlements reached in 1994 and 1.9 percent from agreements reached earlier. Overall, cost-of-living adjustments were negligible. (See table 6.) The 1994 change was higher than those in 1991–93, which ranged

Table 3 Distribution of workers by average changes in wage rates, major collective bargaining settlements negotiated in State and local government, 1994

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]	1,182	354	828	1,182	354	828
Percent of workers under settlements with:						
No wage change	29	20	33	11	7	13
Wage decreases	(4)	0	(4)	(4)	0	(4)
Wage increases	71	80	67	89	93	87
Under 3 percent	15	10	17	33	25	36
3 and under 4 percent	19	27	16	23	26	23
4 and under 5 percent	25	33	21	22	32	17
5 percent and over	11	9	12	11	11	11
Changes (percent):[5]						
Mean change	2.7	3.0	2.5	3.0	3.2	3.0
Median change	3.0	3.1	2.7	3.1	3.0	3.0
Mean increase	3.8	3.8	3.8	3.4	3.4	3.4
Median increase	4.0	4.0	3.9	3.2	3.3	3.2

[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 changes. Mean and median increases refer to settlements with a net increase.

NOTE: Data exclude lump-sum payments and potential changes from COLA clauses.

Table 4. **Duration of contracts and wage rate changes in major collective bargaining settlements in State and local government, 1994**

Measure	All contracts	12 months or less	More than 24 but less than 36 months	24 months	More than 24 but less than 36 months	36 months	More than 36 months
Number of settlements	332	118	43	68	11	65	27
Number of workers (thousands)	1,182	474	120	182	44	232	131
Average contract duration (months)	22.4	11.7	14.2	24.0	26.9	36.0	41.3
Percent change in wages:[1]							
Annualized over the life of the contract	3.0	3.2	4.1	2.6	3.2	3.0	2.3
First contract year[2]	2.7	3.0	3.9	2.1	2.8	2.5	1.3
Second contract year[3]	2.4	–	.6	3.0	3.0	3.5	1.0
Third contract year[4]	3.3	–	–	–	1.3	3.1	4.4

[1] Changes are the result of net increases, decreases, and zero changes, but 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.

NOTE: Dash indicates not applicable.

between 1.9 and 2.8 percent, but not as high as those from 1984–90, which ranged between 4.6 and 5.7 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 3.2 percent for the 1.7 million workers under such contracts in local government. This was the second straight year in which the average wage rate change under all agreements in effect for State government exceeded the average change in local government contracts, atypical for these series. The larger change for State government workers primarily reflected the effects of changes from contracts reached before 1994, which provided an increase of 2.4 percent for State government employees, compared with a 1.5-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. In 1994, approximately 2.1 million workers (76 percent) of the 2.8 million workers covered by major contracts in State and local government received a wage rate increase averaging 4.4 percent. About 660,000 (24 percent) had no wage change, and approximately 13,200 (less than 0.5 percent) had a net wage decrease.

Specific settlements

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

Florida concluded negotiations for six bargaining units with 119,200 workers, all of whom received minimum salary increases of 4 percent on November 1, 1994. Bargaining was conducted under wage and benefit reopeners in contracts reached during 1993 for 5 of the 6 units. More than 87,000 employees in two separate units who work in administrative, clerical, human service, professional, and operational occupations were represented by the American Federation of State, County and Municipal Employees (AFSCME), including 13,200 employed by the State's university system. The Florida Nurses Association (Ind.) represented 5,100 professional health care employees.

The Florida Police Benevolent Association negotiated wage reopeners for 19,100 State protective service workers. About 16,400 security and corrections officers agreed to a new salary progression schedule on November 1, 1994, that resulted in pay increases ranging between 4 and 7 percent, while the law enforcement unit of 2,700 employees agreed to a similar 4-percent salary increase.

Some 7,700 faculty members of the university system agreed to a 1-year pact that, in addition to the 4-percent wage increase, provided a $5 million State contribution to the Teaching and Departmental Incentive program, under which annual awards for departments, schools, and colleges are given for creative programs to improve teaching. Individual faculty members can receive $5,000 increases in base salary.

Illinois reached agreement on 3-year contracts covering 46,400 workers in eight bargaining units. Employees in the six bargaining units represented by AFSCME ratified identical agreements that provided 3-percent wage increases on July 1 of 1994, 1995, and 1996, and increased the shift differential every 6 months, from 35 cents per hour to 52 cents per hour over the contract term. The pacts also specified bilingual pay equal to the greater of 4 percent or $75 per month on October 1, 1994, increasing to the greater of 5 percent or $100 per month on July 1, 1995. Standby pay for Thanksgiving and Christmas was increased to the equivalent of 6 hours from 4 hours. These six AFSCME units included four in public administration, covering 12,100 technical workers, 8,900 clerical employees, 3,000 professionals, and 1,700 paraprofessionals. The two other units covered 8,500 cor-

rections officers and 8,000 mental health employees.

Some 1,300 registered nurses represented by the Illinois Nurses Association (Ind.) received similar wage increases and bilingual pay, while their shift differential was raised to 10 percent from 9 percent. The Teamsters represented 2,900 highway workers who agreed to salary increases of $100 per month on July 1, 1994, $120 per month on July 1, 1995, and $125 per month on July 1, 1996.

Michigan signed six agreements, covering 33,100 employees, including a 1-year agreement for 21,000 human services and administrative support personnel in public administration. The employees, represented by the United Automobile Workers, received a 2-percent wage increase on October 1, 1994.

The State also concluded negotiations with a number of bargaining units in its university system. At Michigan State University, some 4,200 institutional workers represented by AFSCME agreed to a 1-year contract that also provided a 2-percent wage increase. The Clerical & Technical Union of Michigan State University (Ind.) negotiated a 3-year agreement for 2,200 clerical and technical employees. That settlement called for a lump-sum payment on April 1, 1994, equal to 2.5 percent of an employee's earnings from April 1, 1993, to March 31, 1994, and salary increases of 2 percent on April 1, 1995, and 3 percent on April 1, 1996. Other terms compressed the wage progression in both 1995 and 1996; established a labor-management committee to study health care issues; and called for a benefit reopener in October 1996 to discuss premium sharing and flexible spending accounts.

The University of Michigan settled with two bargaining units, covering some 1,800 nurses represented by the University of Michigan Professional Nurses Council (Ind.) and 2,500 service and maintenance employees represented by AFSCME. The nurses agreed to a 4-year contract that provided a lump-sum payment, equal to 4 percent of annual salary for the preceding 12 months, that was rolled into base wage rates retroactive to December 1, 1993; base-rate and step increases averaging 3 percent, combined, for employees below pay maximums; similar lump-sum payments of 1 percent for top-rated nurses in June of 1994, 1995, and 1996; and an "interest-based" dispute resolution procedure. Service and maintenance employees received wage increases of 4 percent on August 1, 1994, and 3 percent each on August 1, 1995, and August 1, 1996, under their 3-year pact. Terms also provided a lump-sum payment, equal to 1 percent of annual salary for the preceding 12 months, on August 1, 1995.

Some 1,400 faculty members represented by the University Professors (Ind.) at Wayne State University ratified a 2-year settlement. The contract provided a variety of wage increases totaling 2.7 percent on August 28, 1994, and 3.2 percent on August 27, 1995, in addition to lump-sum payments on August 28, 1994, and August 27, 1995, equal to 0.5 percent of annual salary for the preceding 12 months. The pact also decreased the employee supplementary monthly premium for family health and welfare coverage from $30 to $22.50.

New York City temporarily resolved its budget situation in 1994 by balancing revenues and expenses for the fiscal year, in part by transferring $190 mil-

Table 5. Mean changes[1] 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, 1991–94

[In percent]

Component	1991	1992	1993	1994
All State and local government:				
Compensation	2.0	.8	1.0	2.2
Cash payments[2]	1.3	1.0	1.0	2.1
Wages	1.3	.9	1.0	2.1
Benefits	2.0	.7	.8	2.7
Without contingent pay provisions:				
Compensation	2.0	.8	1.0	2.3
Cash payments[2]	1.3	.9	1.0	2.1
Wages	1.3	.9	1.0	2.1
Benefits	2.0	.7	.8	2.8
With contingent pay provisions:[3]				
Compensation	–	.9	–	1.2
Cash payments[2]	–	1.0	–	1.5
Wages	–	1.0	–	.7
Benefits	–	.8	–	.6
State government:				
Compensation	2.4	.9	1.2	1.9
Cash payments[2]	1.5	.9	1.3	2.1
Wages	1.5	.9	1.2	2.1
Benefits	2.3	.7	.9	1.7
Local government:				
Compensation	1.2	.8	.8	2.5
Cash payments[2]	1.1	1.1	.9	2.1
Wages	1.0	1.0	.8	2.1
Benefits	1.5	.7	.7	3.5

[1] Mean changes include net increases, decreases, and zero changes, but exclude potential changes 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 do not meet publication criteria.

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

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

Mean annual changes[1] in wage rates in State and local government collective bargaining agreements covering 1,000 workers or more, by source, 1991–94

[In percent]

Item	1991	1992	1993	1994
Average wage rate changes	2.6	1.9	2.8	3.3
Change, by source:				
Current settlements	.6	.8	1.6	1.4
Prior settlements	1.8	1.1	1.1	1.9
COLA provisions	.1	(2)	(2)	(2)
Change, by government function:				
General government and administration	2.6	1.9	2.8	3.2
Education	2.5	2.0	2.5	3.1
Primary and secondary	2.6	2.1	2.3	3.1
Colleges and universities	2.2	1.1	3.3	3.2
Protective services	2.8	1.2	2.9	4.2
Health services	2.2	1.9	3.7	3.8
Transportation	2.3	3.4	2.5	2.9
Other	3.1	.7	3.1	3.7
Average wage rate increase[3]	4.7	4.6	4.1	4.4
Increase, by source:				
Current settlements	3.7	5.1	4.0	4.3
Prior settlements	4.5	4.3	3.8	4.4
COLA provisions	2.1	2.7	1.6	.8
Number of workers receiving wage increases (thousands)[4]	1,425.5	1,125.3	1,849.4	2,126.6
Receiving increase from:				
Current settlements	428.6	441.7	1,119.0	919.5
Prior settlements	1,062.2	676.2	803.9	1212.5
COLA provisions	176.3	22.6	24.0	22.7
Number of workers not receiving wage increase (thousands)	1,198.7	1,544.3	880.0	660.2

[1] Mean annual changes include increases, decreases, and zero changes in wages stemming from current settlements, settlements reached in a prior period, and COLA clauses.

[2] Value less than 0.05 percent.

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

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

lion from the health and welfare reserves to general city funds. This eased negotiations between the city and its unions, which concluded agreements covering about 81,000 employees during the year. Most of the workers were employed in protective service occupations (32,600) for the city or in subway and surface transit jobs (31,600) for the Transit Authority. City police officers and firefighters had been working without new contracts since 1991. Some 18,300 police officers represented by the Patrolmen's Benevolent Association (Ind.) reached a 3-1/2 year retroactive agreement that froze wages for the first 18 months of the pact and provided salary increases of 2 percent each in April 1993 and 1994, and 3 percent in September 1994. The contract also called for certain salary schedule increases, lump-sum payments, a payment by the city to the annuity fund, expansion of coverage for pension benefits, and an increased night-shift differential. The Uniformed Firefighters Association (International Association of Fire Fighters), representing 8,700 city fire- fighters, agreed to a 39-month retroactive settlement that provided similar increases in salary and annuity fund contributions, and also called for increases in longevity pay, uniform allowances, the monthly widow's pension, and city contributions to the health and welfare fund.

Transit workers came to terms on a 3-year pact that included salary increases of 4 percent in July 1994, and 3.2 percent each in August 1995 and September 1996. The settlement also called for 5-percent increases in city contributions to the health and welfare fund in July 1994, August 1995, and September 1996.

Los Angeles City (California) negotiated 13 collective bargaining agreements covering 74,700 workers, most of whom were employed in the Los Angeles Unified School District. Some 32,000 teachers represented by the United Teachers of Los Angeles and 23,600 school administrators and support personnel represented by various unions agreed to 1-year contracts that provided an 8-percent increase in annual pay through the elimination of furlough days agreed to under the 1993–94 pact.

The city and the Los Angeles Police Protective League (Ind.) reached agreement on a 4-year accord covering 7,600 police officers who had been working without a new contract since 1992. Terms froze pay over the first 2 contract years and increased salaries by 2 percent each in July 1994 and January 1995, and by 1.5 percent in both July 1995 and 1996. The contract also calls for a field assignment incentive and special equipment bonuses. Some 3,000 firefighters and emergency paramedics represented by the International Association of Fire Fighters (IAFF) settled on a 2-year agreement that provided similar salary increases, raised the biweekly uniform allowance, and increased the city's contributions for health insurance and dental benefits for single coverage.

The remaining five agreements covered a total of 8,500 employees in general administration. Some 5,800 equipment operators, laborers, nonsworn safety and security workers, and service and craft employees represented by the Service Employees International Union settled on a 4-year agreement, retroactive to July 1992, that froze pay for the first two years in exchange for a guarantee that workers would not be

laid off because of subcontracting during the term of the contract. The agreement also called for wage increases of 2 percent in both July 1994 and 1995; a wage reopener in mid-1995; and potential pay increases under a "me-too" clause if more than 10 percent of any other city bargaining unit receives a pay increase. Two separate but identical 2-year contracts for 2,600 engineers and scientific professionals represented by the Engineers and Architects (Ind.) called for a pay freeze over the term, but did provide some enhancements in vacation time, health and dental plan coverage, and workers' compensation offsets.

Dade County (Florida) concluded negotiations on five settlements covering 39,500 county employees. About 21,200 teachers represented by United Teachers of Dade (American Federation of Teachers) reached a 3-year agreement providing salary increases of 4.3 percent in August 1994 and 4 percent in July 1995, and a wage and benefit reopener in the third year of the agreement. The AFSCME negotiated a 3-year agreement for some 11,500 general classified workers in government administration that called for wage increases of 4 percent in both April 1994 and 1995, and 5 percent in April 1996. Terms also improved vacations and switched employees to a point-of-service health care plan from a self-insured plan. Police and corrections officers (3,900) represented by the Police Benevolent Association (Ind.) also agreed to a 3-year contract with wage increases identical to those received by general classified workers, in addition to increases in hazardous duty and night-shift differentials. The IAFF settled on a 2-year contract for 1,300 county firefighters that provided a 4-percent wage increase in April 1995, and a 5-percent increase in April 1996. That settlement also increased "rescue pay" and the hazardous duty differential. □

Footnote

[1] For data on 1994 settlements in private industry, see "Collective bargaining in private industry, 1994" *Monthly Labor Review*, June 1995, pp. 3–12.

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. For example, professional and other white-collar employees 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 (pension benefits and holidays, for example) that are prescribed by law; 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.