Twenty One
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New Challenges Merit a Revamped Strategy for Success

“Help! My wages have fallen and I can’t get them back up.” That is the lament we will likely be faced with as we transition from concessionary bargaining into a recovery mode. In addition to undoing concessions made during the Great Recession, we need to make up for lost time when it comes to wage improvements.

The strategies we have typically used, including examining the Consumer Price Index, performing salary surveys to justify equity adjustments, and conducting an independent evaluation of municipal financial resources, can help with the former but have limitations with respect to the latter.

CPI increases help us keep pace with inflation; they don’t provide a rationale for getting ahead in real dollars. With municipal finances, if coffers are more flush than the employer claims, it provides justification for rolling back concessions but does not provide a compelling justification for greater compensation in the eyes of the public, opposing negotiators, or arbitrators.

Equity Adjustments Limited

The final element in our traditional trifecta, equity adjustments, can also come up short in the current situation. Equity adjustments help right the ship when a few jurisdictions are having rough times, but in an extended, pervasive downturn, comparisons don’t even get you back to sea-level.

In the late 1990s, Local 21 was trudging along with other unions under the mandatory Mediation-Arbitration provisions of the San Francisco Charter. We pioneered the widespread use of equity adjustments to offset the limitations otherwise imposed. We need to be equally creative in justifying actual wage improvements, not just treading water by tracking COLAs.

One way is to continue to employ the successful strategies we have been using, but find ways to adapt them to address the unique challenges we face today.

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“New Challenges Merit a Revamped Strategy for Success”

Ron Johnson and Jim Baker walk precincts for labor leader and Santa Clara County Board of Supervisor’s candidate Cindy Chavez.

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One way is to continue to employ the successful strategies we have been using, but find ways to adapt them to address the unique challenges we face today. Another way is to focus on productivity improvements the way we did on equity adjustments in the past.
Results from Democratic Super Majority Yet to Be Seen

It remains to be seen whether there will be any summer blockbusters in the Legislature this year. Organized labor has collectively worked hard to elect super majorities in both houses and give the Governor the tax revenue needed to balance the budget.

Yet, we don’t have any clear indication that those extra legislative votes or surplus revenue will have a major impact on the lives of our members or working families, at least immediately.

Democrats have power to right wrongs, but making little progress
Democrats have the power to right some wrongs that have occurred over the years. They could close the loophole in our property tax law that allows corporations to take advantage of Prop. 13’s protections for residential property owners. The legislation was designed to protect homeowners from skyrocketing property taxes. Unfortunately, it was written in a way that maintains business property owners’ taxes rates at 1970’s levels.

Closing this loophole would potentially bring in billions of dollars to the state and local governments. Assembly Member Tom Ammiano introduced AB 188 to do just that, but so far the bill made little progress because of a lack of wider political will.

The California Labor Federation and the United Food & Commercial Workers have gotten behind a measure to ensure that as California implements universal health care under the Affordable Care Act, large and very profitable companies like Walmart don’t unfairly take advantage of tax payers by cutting workers’ hours and pay to the point where they qualify for Medi-Cal.

Assembly Member Jimmy Gomez’s bill, AB 888, would institute a tax for dumping employees into Medi-Cal. The bill targets businesses with more than 500 employees who have workers on the state funded healthcare system.

Like closing the Prop. 13 loophole, this bill requires a two-thirds vote because it is a tax. While all of labor is working to get it passed, it has yet to move out of the Assembly and it’s unclear whether Democrats will put up enough votes.

We may need to reassess our strategies around election time
If we don’t see Democrats step up to the plate and utilize the super majority for these kinds of blockbuster progressive issues, we need to begin questioning our strategies around election time, and how we can better bolster support for candidates like Gomez and Ammiano who do stand up for labor and support our issues.

union BENEFITS

Local 21 Family Wins College Scholarship

The child of a Local 21 member recently won a $2,500 scholarship through our International’s Public Sector Scholarship Award.

Tiffany Mao, daughter of Hayward member Greg Mao, is the proud recipient of a scholarship for her first year of college this Fall at Cal Poly San Luis Obispo.

For more information on scholarships available to Local 21 members and their families, visit www.unionplus.org/scholarships and www.ifpte.org.
Local 21 members throughout our union tell the same story. Though budget revenues have increased, many Local 21 employers want to take more, rather than honor and pay workers back for the sacrifices they have already made. The Union is holding firm and demanding payback. We’re fighting back for what we deserve.

Local 21 Members Fight for Payback and Respect

Like many Local 21 members working for the City of San Jose, John Mukhar says he had to take a second job to get by. The Senior Engineer and Association of Engineers and Architects (AEA) chapter President explains that over the last few years, members suffered cuts averaging from $10,000 to $15,000 per year, when they agreed to help the City and save public services.

In its last contract three years ago, members agreed to a 10% salary cut and increased healthcare and retirement contributions. Now in bargaining since March, though San Jose’s financial revenues have increased dramatically and expenses have dropped in large amounts because of staff resignations and vacancies, the City still attacks workers’ pay, healthcare and pensions.

“We feel demoralized and cheated. They used us when they needed our help. We stepped up and now when we ask to restore what we sacrificed over the last few years, they turn their backs on us,” Mukhar says.

Last June, San Jose pushed Measure B, an illegal pension reform measure on voters that reduced pension benefits and violated our vested rights. The Public Employment Relations Board issued charges against the City and Kamala Harris authorized a judicial review of the measure, claiming the City did not negotiate in good faith before putting it on the ballot.

“City proposals in the current negotiations compromise residents’ safety,” explains Local 21 Association of Maintenance Supervisory Personnel (AMSP) chapter President Dale Dapp. They want to change AMSP member status from hourly to salaried, eliminating overtime, callback and holiday time for employees who are called upon in emergencies. “When there is flooding, storm overflow, sewage spilling into the streets, fallen trees… our supervisors are called nights, weekends… whenever we’re needed to protect residents.”

Members stand to lose 20% in salaries if they’re required to work overtime without compensation. Dapp is concerned over retention and recruitment. “We’ve been losing workers left and right. If there is no overtime, who would want to apply for these essential jobs?”

Though the City is crying poor, it is not. Local 21 and other city unions reviewed the budget and found plenty of cash. “They’re creating new reserves to hide money,” Mukhar says, “all the while, the City Council voted to set aside $900,000 to defend Measure B.”

Local 21 is working within a Coalition of Unions over retirement health benefits and “to help save a system that the city’s responsible for breaking,” Mukhar says. Both the ASMP and City of Management Personnel (CAMP) are fighting to strengthen their contracts and spell out a grievance procedure, sick leave and vacation procedures.

Oakland Members Stand Firm Against Concessions and for COLA

In the City of Oakland, members’ real income is down by 25%. “Something’s gotta give… because we’ve given everything we have,” says Operations Manager Mike Munson, who has had to choose between buying food or paying utility bills. “We come to work every day to barely get by.”

Al Lujan, Supervisor of Constituent Liaison, saved 20 years to buy his house. But a year and a half ago, he, his partner, and daughter lost their North Oakland home to foreclosure.

Over the last five years, members sacrificed an average of 14 furlough days per year, made 5% in additional pension contributions, and gave up step increases.
back and Respect

All this has resulted in having their income reduced back to 2003 levels.

Though the City is rebounding from the recession, it demands more cutbacks. It is intentionally underestimating about $45 million in anticipated tax revenue over the next two years to make it appear that it needs more concessions and potential layoffs and to boost the police force. It is not offering raises, wants workers to pay more for healthcare and pensions, and proposes to reduce sick leave cash out and accruals, vacation sell-back, and management leave.

In the union’s video, “Enough is Enough,” members share similar stories to drive home the point that members have no more to sacrifice. In another video, “We are Oakland,” they demonstrate their deep passion and caring for the City, and how public safety requires more than the police force. Received with widespread acclaim, the Union presented the videos to the City Council and posted them on social media.

“We are not asking for a raise. We’re asking for ‘catch-up,’” says Renee Sykes and Zach Seal at a rally outside of Oakland City Hall.

Sykes, Neighborhood Services Coordinator for the City and Local 21 Oakland Vice-President. “We have made tremendous sacrifices to keep the City running. We work harder and longer, often outside our job descriptions to do the work of past colleagues who have been laid off or forced to retire.”

Hundreds of Local 21 members have joined other city workers at rallies and City Council meetings, in petition drives, and other actions. The unions are demanding “honest numbers” from the City. Most recently, an overwhelming number of Local 21 members voted 94% to authorize the bargaining team to call a strike if the City continues to stall at the table and negotiate in bad faith.

“Our goals are simple: be made whole, no concessions, get a COLA, and start on the road to recovery,” says Sykes. “Our feet are on the ground. We are energized.”

They Will Not be Trampled On in Contra Costa County

In the last few years, Contra Costa members have suffered cuts between $8,000 and $10,000 per year. “Now, though the economy is recovering and a structurally-balanced budget indicates the County can pay us back for our sacrifices, they continue to demand givebacks,” says Chapter President Sue Guest. “We bailed them out with our pay cuts, increased contributions to retirement and health care. Now we want back what we gave.”

Besides demands for payback and quality affordable healthcare, the Union is fighting for a fair differential policy, equity adjustments, and against paying middle management and supervisors less than what the employees they supervise are paid.

In thirteen months of bargaining, the County has been contemptuous towards the Union. Though the County Administrator confirms union research that proves the County can raise salaries with its overfunded Teeter Fund, it would rather allocate those funds toward capital improvement projects and facilities upgrades than restore salaries and provide affordable health care to employees. Members believe a balanced approach is needed to invest in physical infrastructure and the County’s human capital.

Members have talked to hundreds in the community. They have spoken at Supervisor meetings. They’ve sent postcards and have set up pickets outside targeted county supervisors’ offices. They shared their stories of inadequate salaries and feeling disrespected and unvalued, via a video, “Recession Weary.”

The Union is fighting for employees who protect the public’s safety and are on call 24-7 to get pay differentials and to bring Local 21 job classifications up to par with the rest of the Bay Area. “We can’t attract people to work here,” says Guest. “And this impacts public safety. Who’s going to fix the sinkholes or answer 911 calls? What if a bridge falls or a refinery blows up? Our people work hazmat, ensure safe drinking water, clean up sewage spills... They make sure restaurants are clean and safe...”

Members voted to authorize a strike and attended a strike-preparation school with other city unions.

“We can’t be afraid,” Guest says. “We have to do this. It’s the only way we can get the County to bargain in good faith. We hope we don’t have to go there, but we’re not going to be trampled on. We’re done. Enough is enough.”
Lack of Health Care Accountability and Transparency Harms Patients

by SALLY COVINGTON and TOM MOORE, COMMUNITY CAMPAIGNS FOR QUALITY CARE

It seems impossible to believe, but access to information about health care quality, safety, and costs is largely unavailable to patients and purchasers in today’s marketplace. We have little information about hospital readmission rates, or even the basis on which medical charges are based.

Replacing the status quo with transparency and accountability is an integral strategy in addressing growing health care premiums. Costs are driven by opportunistic health care and insurance providers, not a legitimate growth in the cost of providing care. Nor are the employees and their families who rely on affordable, safe care to blame.

The extent to which unsafe and ineffective health care drives up our costs is largely unknown because providers do not report it. Despite the fact that we pay for health care, we are given little to no information about the actual cost of services we receive.

One thing we do know is that when physicians and hospitals work more closely together, safety improves and we get better care for less. This can include fewer emergency room visits, hospitalizations, infections, and other costly problems. Without transparency, we don’t know if savings achieved from better care translates into lower insurance costs.

With strides being made by some via documented improvements, the question is not just can quality and costs be improved, but rather what will motivate change? Transparency is widely recognized as essential for accountability. Research has shown that when performance is publicly reported, providers accelerate their improvement efforts.

We currently have little reliable, third-party, rigorously developed information about the best hospitals and physicians in our communities, with best outcomes among their patients. Lack of publicly reported information may serve selected industry interests, but it does not serve patient, family, worker, or purchaser interests in a market that has shown little cost or pricing restraint.

Why should we continue to put our hard-earned money into a health care industry that resists disclosure, varies widely in quality and costs, and engages in price gouging and opportunistic pricing? Accountability, transparency, and comparative information empowers patients and families, hospitals, and physicians to choose and improve quality and reduce the costs that inflate prices for all.

Six Reasons We Need Transparancy

1. Since 1999, the Institutes of Medicine (IOM) released two reports on the poor quality and unaffordable costs of U.S. health care, declaring “American health care harms too frequently and routinely fails to deliver its potential benefits.” It estimated that 30% of spending is on unsafe and ineffective care, or “waste.”

2. The IOM findings have been validated in thousands of pages of published work on the quality, safety, effectiveness, and efficiency of health care services. Despite many improvements around the country, the 30% estimate still stands.

3. Our health insurance premiums ride substantially on industry failures to make harm and waste reduction a priority. Most hospitals have put in place only a few of the 34 safety practices endorsed by the National Quality Forum, and none have a strategic plan to implement all of them.

4. Current incentives align with volume, rather than quality, safety, and efficiency. Mistakes should never be a source of revenue but hospitals and many physicians are reimbursed for quality failures, such as readmissions due to poor transition or follow up care.

5. By 2030, the cost of family health insurance is predicted to exceed median family income. Unions will face increasingly difficult bargaining environments, making it difficult to preserve hard-won gains of the past without giving in somewhere else.

6. Small improvements in health system performance can result in significant cost savings when calculating future unfunded retiree health care liability. Controlling cost trends is critical for public employers and their active and retired employees.
SF Members Address Root Cause of Health Care Inflation to Curb Costs

Our San Francisco chapters are on the vanguard of an effort to curb growing health benefit costs by promoting accountability, transparency, and fair pricing in medical care. The City spends up to three quarters of a billion dollars on health care every year, or 25% of payroll.

Last year in bargaining, we knew we had a fight ahead of us. Members had already given up 4.62% of their salaries via temporary furloughs to aid the city through the recession, and helped pass a ballot measure to increase our pension contributions in years where the pension was underperforming to ensure the fund’s solvency.

We went to the table with resolve to beat back demands for ongoing furloughs, get back the wages we had given up, and secure a fair cost of living increase that could finally help us get on solid ground.

The City had other ideas. They came to us with proposals to slash their health care contribution by 30%. Uncontrolled, unregulated costs are main reason for employer cuts

Uncontrolled and unregulated increases in health care costs are the biggest driver for premium growth, and create an impetus for employer cuts to health care.

Last year, we agreed to pay up to 10% of our health care, on the condition that the City engage in a labor management committee to address growing health care costs beyond just coming to employees and asking them for more.

What emerged is a thriving committee made of up nearly 20 unions led by Local 21, and major stakeholders across the City working to develop a wellness program and other mechanisms for stabilizing health care costs and getting more for our money.

Union Sets Eye on Transparency, Legislation

We have taken on the lack of transparency in health care, and why it’s critical for the City, its taxpayers, and employees to have the information necessary to negotiate fair pricing. Many insurers regard basic data such as plan usage, service costs, and executive salaries as “proprietary information.”

We led a campaign against Kaiser Permanente’s opportunistic price gouging and efforts to charge the City 5.25% more for health care, despite lower utilization and zero justification for rate hikes. Our group has also pointed an eye towards legislation.

We partnered with Board of Supervisors member Mark Farrell, who committed to address the issue with a citywide resolution on improved transparency from health insurance providers. We’re also collaborating with other unions who are advancing legislation at the state level to require data sharing from those same providers.

“Mandating accountability and transparency in health care is an uphill battle, but one we need to fight.” said Marzotto.

The Union is working with the City to expand upon its wellness program, to improve employee health and reduce long-term health care costs by reducing the development and prevalence of chronic illnesses. Although the results won’t be immediate, our goal is implement a preventative approach that has positive incentives, respects employees’ confidentiality, and integrates cost savings with lower premiums or other payback to employees, and the City.
Hayward Librarian Penick Serves Her Community and Fellow Union Members

There is a lot that goes into effective library programming above and beyond lending books and offering a quiet place to read. Youth Services Librarian Cheryl Penick and the other members of the City of Hayward’s Youth Services Department are responsible for providing library programming. Librarians visit local classrooms to educate students about all the local library system has to offer, operate library tours so students can better understand how to use the resources available to them, run the library’s summer reading program, and lead the story time programming.

Library services are critical to Hayward’s diverse population, especially during economic slump
A lot of the services Penick and her fellow Librarians offer are critical to Hayward’s diverse population, especially during the last few years when the economy has been in a slump and there has been an increased demand for free and affordable children’s services.

“One of my favorite aspects of my job is getting to interact with children and parents from all parts of the city,” said Penick. “In the last few years, we’ve been hit hard by budget cuts. We’ve lost 20 percent of our staffing, but we do as many programs as before. Everyone is doing more with less.”

As steward, helps create work environment where coworkers look out for each other
In addition to serving her community, Penick also volunteers as a Shop Steward. She stepped up in 2010 because the existing Steward was leaving, and it seemed like a good way to get involved and help create a work environment where colleagues look out for one another.

“Management doesn’t always look out for us,” said Penick. “You’d think they would because we work for them and the community, but they often see us as an expense instead of an asset. We have to remind them that we’re people and we work hard to serve the public well.”

As a Steward, Penick helps members get acquainted with the Union and stay informed about important issues. She also helps members file grievances and provides support and representation for members facing discipline.

“Anyone can step up and do this – you just have to decide to do it,” she said. “It’s important work and to go through something alone, like being targeted by a boss with unfounded discipline, is difficult when you don’t have any protection or support. We must take care of each other.”

Around 21 highlights Local 21 members’ activities in and around the Bay Area. Send your union-related photos and captions to anjali@ifpte21.org.

Berkeley Unified School District chapter members Francisco Martinez and Bernadette Cormier at a multi-union School Board meeting to demand a fair contract.

Jo Elias-Jackson and Gus Vallejo present a donation from the San Francisco IT and Technical Engineers’ chapters to Inner City Adolescent Network, which supports at-risk youth.

East Bay Municipal Utility District chapter President Antonio Martinez participates in a discussion about the changing economy and political landscape at our last Delegate Assembly.