

Poll: Michigan leaders question whether unions doing more harm than good in local communities

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The Associated Press

By

A majority of local leaders in Michigan question whether union workers are causing their communities more financial harm than good, according to a poll conducted amid an ongoing debate over tight budgets and public employees' pay and benefits.

Fifty-six percent of local leaders told a University of Michigan survey that unionized workers have had a negative effect on their community's fiscal health, according to an advance copy of the report obtained by The Associated Press. Thirteen percent said unionized workers have been an asset to their community's bottom line, and 29 percent said they were neither an asset nor a liability.

The biannual survey, released Monday by The Center for Local, State and Urban Policy, also showed that four out of 10 local leaders said unions have been a liability to their jurisdictions' overall performance, although 44 percent said they were neither an asset nor a liability. Fourteen percent said they were an asset.

Despite their differences, 60 percent rated the relationship between their administration and labor unions over the past 12 months as good or excellent. The survey was based on responses from 360 of an estimated 520 local governments in Michigan that have unionized workers.

Clashes between some local leaders and workers have been fierce. Wayne County and its unionized workers are tied up in court over pay and benefits put in place by county Executive Robert Ficano, and Detroit Mayor Dave Bing has warned workers that the city could be taken over by a financial manager if they don't pick up a larger portion of their health care and pension costs to shrink a looming deficit.



Cory Morse | The Grand Rapids Press

People take part in a labor group rally opposed to Governor Rick Snyder's policies at the State Capitol Building in Lansing Wednesday, March 16, 2011.

"It's a complex picture coming out from the local level," center administrator Thomas Ivacko told the AP. "Local leaders tend to say that having a union is hurting their fiscal health. . . . (But) the picture isn't all negative."

Al Garrett is president of the 60,000-member Michigan chapter of the American Federation of State, County and Municipal Employees, Council 25. He said the money local governments have lost to plunging property values and state aid reductions is responsible for local governments' financial problems, not their contracts with unionized workers.

"It's not a question of what they pay the workers, it's what they collect," he said. "They don't have a spending problem, they have a revenue problem, and they refuse to address the question."

The hands of local government officials are largely tied when it comes to raising more revenue. State law limits their ability to tax, leaving them largely dependent on local property tax payments and the state aid they get through revenue sharing payments.

Both have been dropped in recent years. The Michigan Municipal League estimates cities have lost \$4 billion in state revenue sharing over the past 10 years. Meanwhile, taxable property values have fallen statewide every year since 2008, trimming nearly \$750 million from the coffers of county, city, township, and village governments through 2010, according to state treasury figures.

The problem isn't abating. The city of Lansing recently estimated its property tax values could drop another 10 percent, costing the city \$3 million in revenue. Once housing prices start to recover, limits on how much property taxes can rise likely will hold down local government revenue.

County governments, meanwhile, are worried state lawmakers soon could do away with the personal property tax businesses pay on everything from computers to manufacturing equipment.

Ben Bodkin of the Michigan Association of Counties said the tax brings in anywhere from 3 to 27 percent of an individual county government's revenue. Losing all or a portion of that funding could strain relations between local leaders and workers even further.

"We don't have a lot of revenue sources," Bodkin said. "We can only do what the Legislature allows us to do."

Despite the strains, Garrett wasn't surprised so many local leaders give high marks to their relationship with unionized workers. Fifteen percent reported it was excellent, 45 percent said it was good and a third said it was fair, with just 5 percent saying the relationship was poor. Two percent were undecided.

"There isn't that much rancor that goes into the collective bargaining process in the state of Michigan except for these isolated pockets," Garrett said.

Democratic officials' responses weren't much different from their Republican counterparts, Ivacko said. Unlike Garrett, he was surprised so many local leaders gave their relationships with workers high marks.

"Finances have been so difficult at the local level over the last year or two that I would have expected to find a higher level of conflict," Ivacko said.

Most of the state's counties and cities have workers represented by at least one union, according to the report, while few villages or townships do. So most of the responses came from larger governmental units.

The survey was conducted from April 18 to June 10, a time when local governments were working on budgets before the July 1 start of their fiscal year. The margin of sampling error was plus or minus 3 percentage points.

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