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FOR NEW YORK STATE POLICY

*A project of the Manhattan Institute for Policy Research*

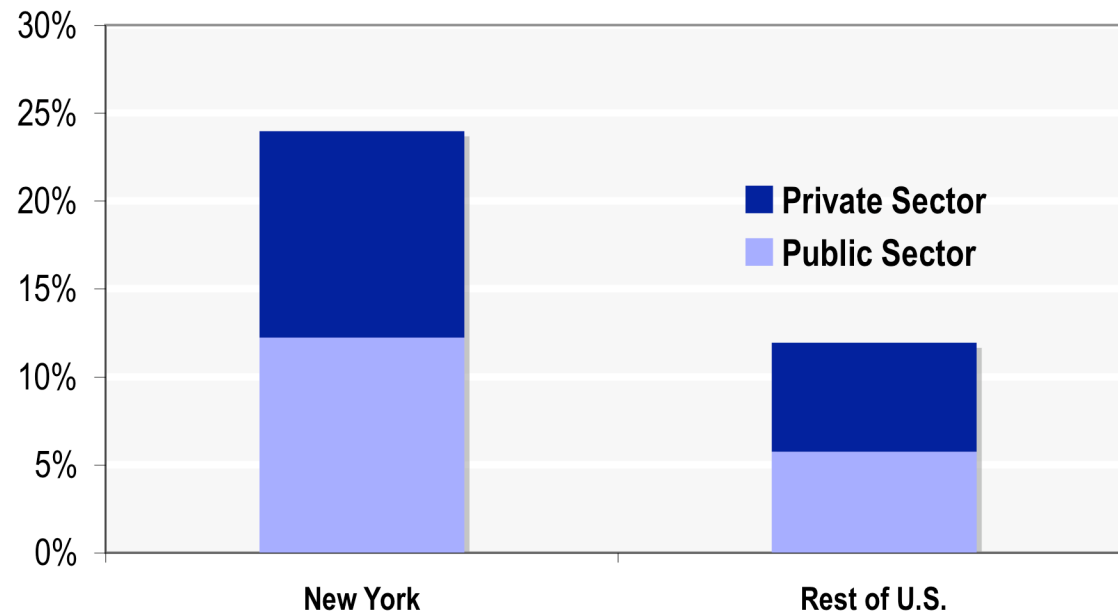
# TAYLOR MADE

**The Cost and Consequences of New York's Public-Sector Labor Laws**

**October 16, 2007**

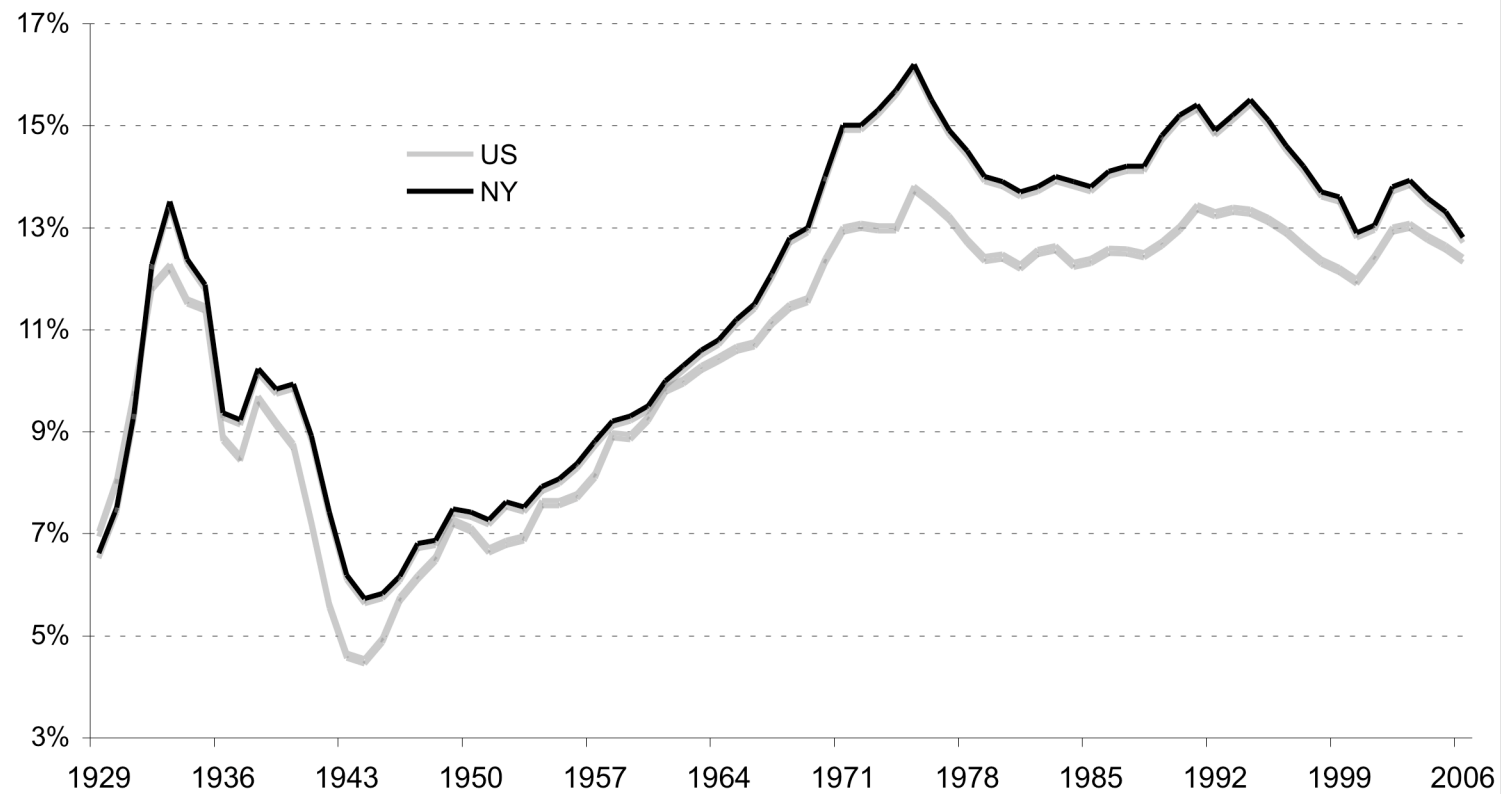
**Albany, NY**

### Union members as a Percent of All Workers, 2006



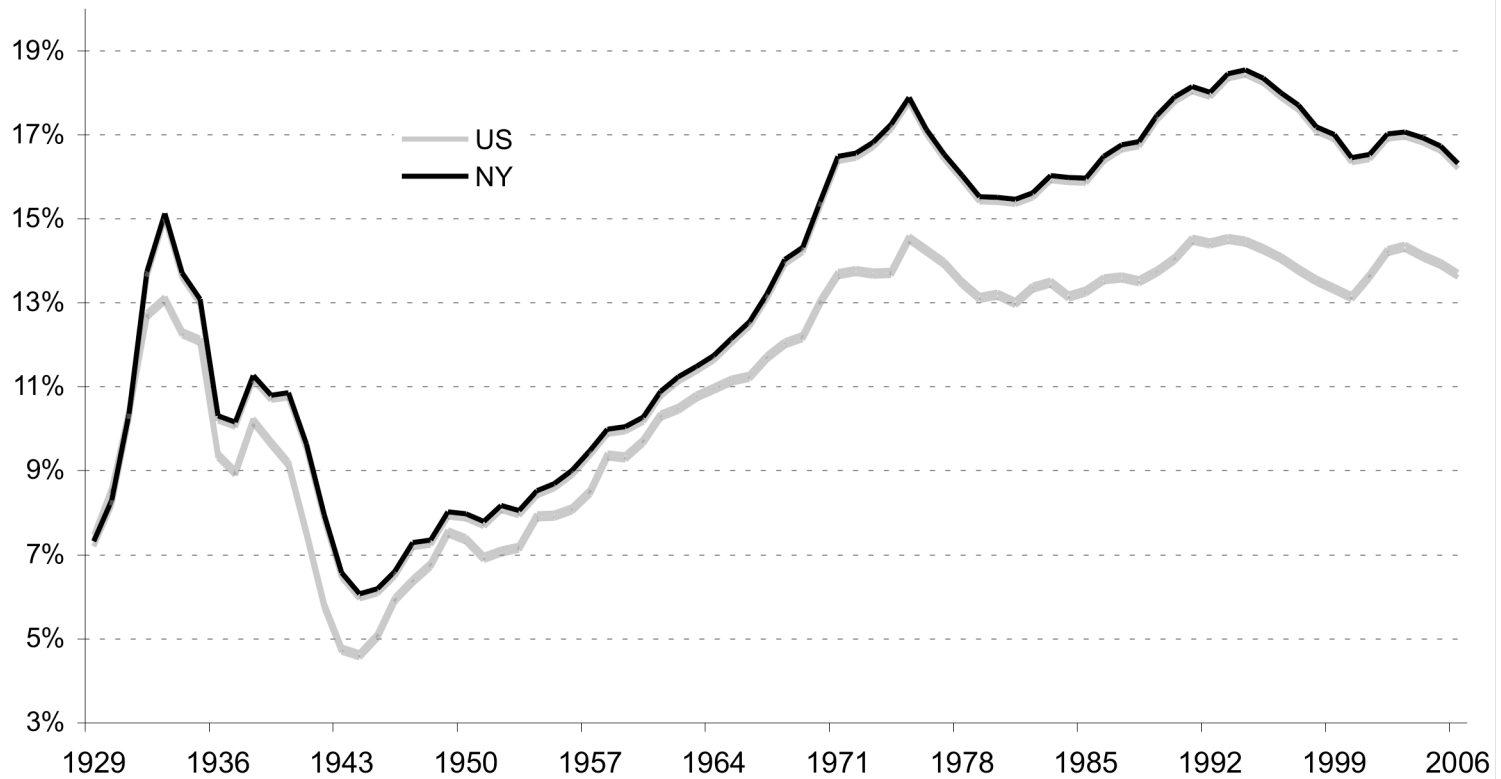
Source: Barry T. Hirsch and David A. Macpherson, "Union Membership and Coverage Database from the Current Population Survey," posted at [www.unionstats.com](http://www.unionstats.com)

### State and Local Government Wages and Salaries as Percent of All Wages and Salaries, 1929-2006

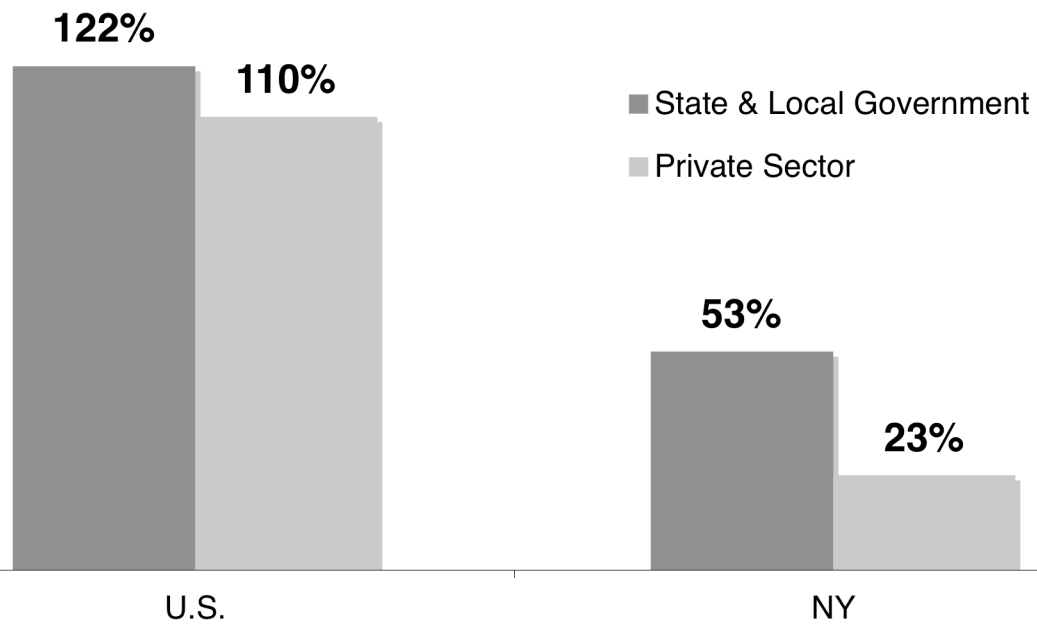


Source: U.S. Commerce Department, Bureau of Economic Affairs

**State and Local Government Wages and Salaries  
as Percent of All Wages and Salaries, 1929-2006**

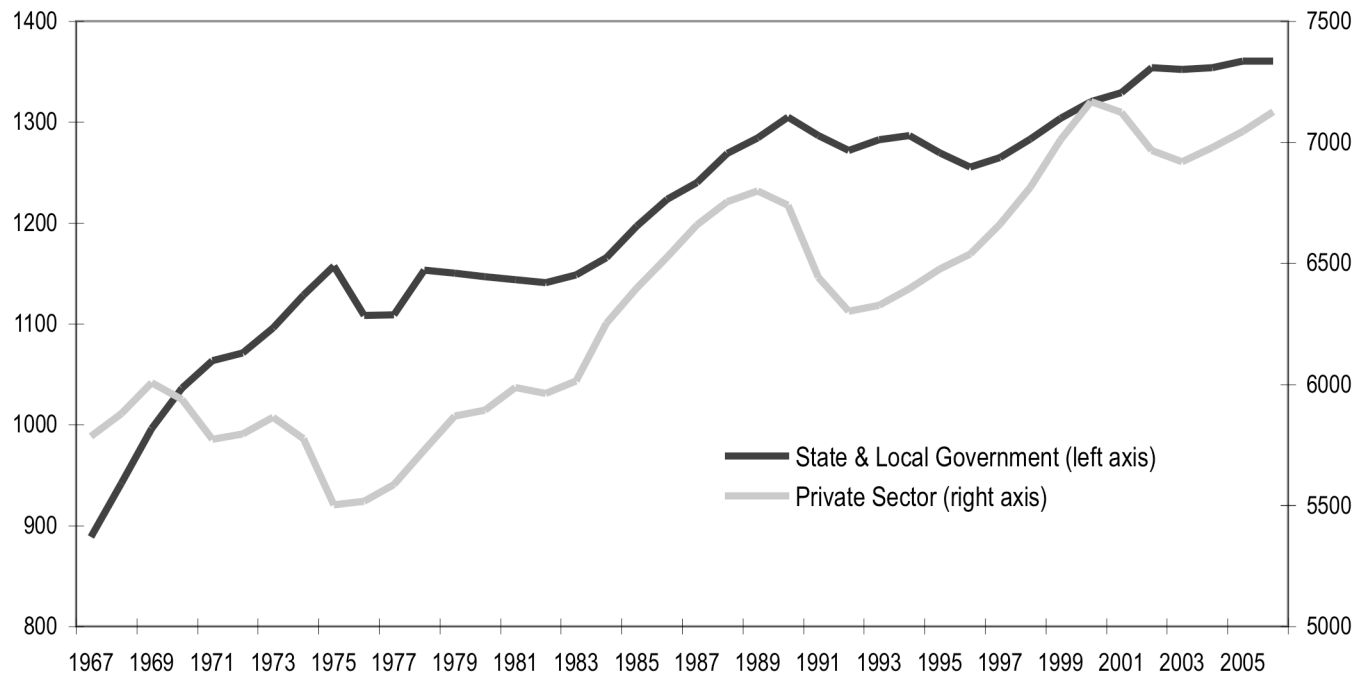


## Employment Growth, 1967-2006



*Source: U.S. Bureau of Labor Statistics*

### Private Sector v. State and Local Government Employment 1967-2006 (in thousands)

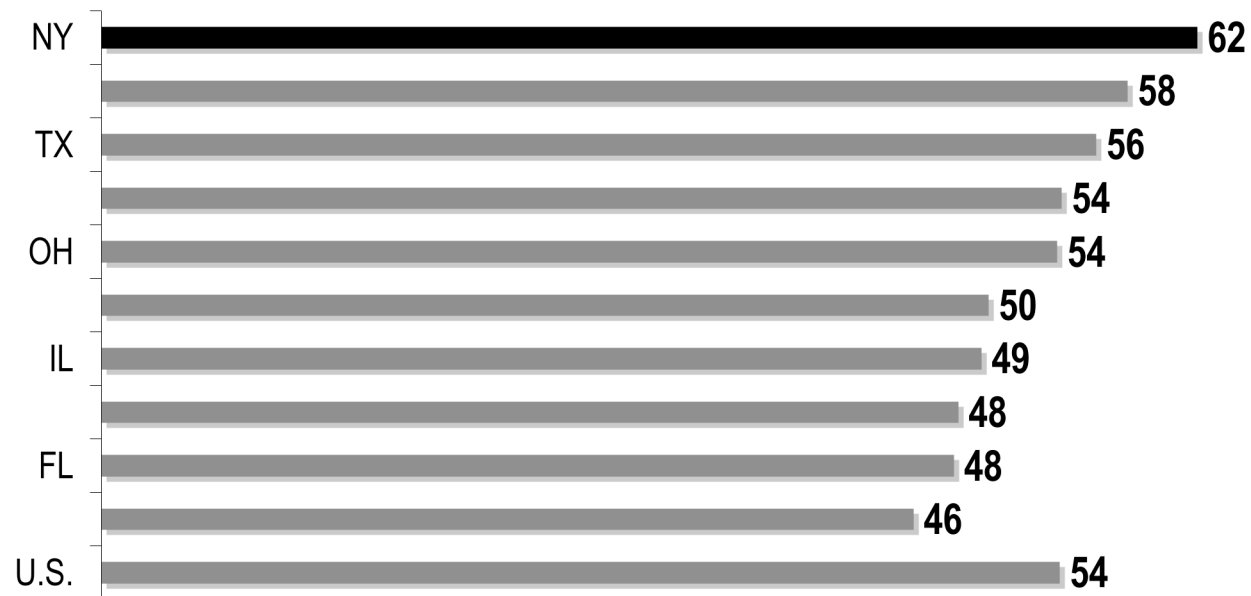


Source: U.S Bureau of Labor Statistics

Note: Due to reclassification, until 1990 "private" is all non-farm less total government

## State and Local Government Employment\* per 1,000 residents

10 Most Populous States



\* Full-Time Equivalent employees.

Source: US Census Bureau, *State and Local Government Employment and Payroll*, March 2006, and *Annual Population Estimates*, July 1, 2006.

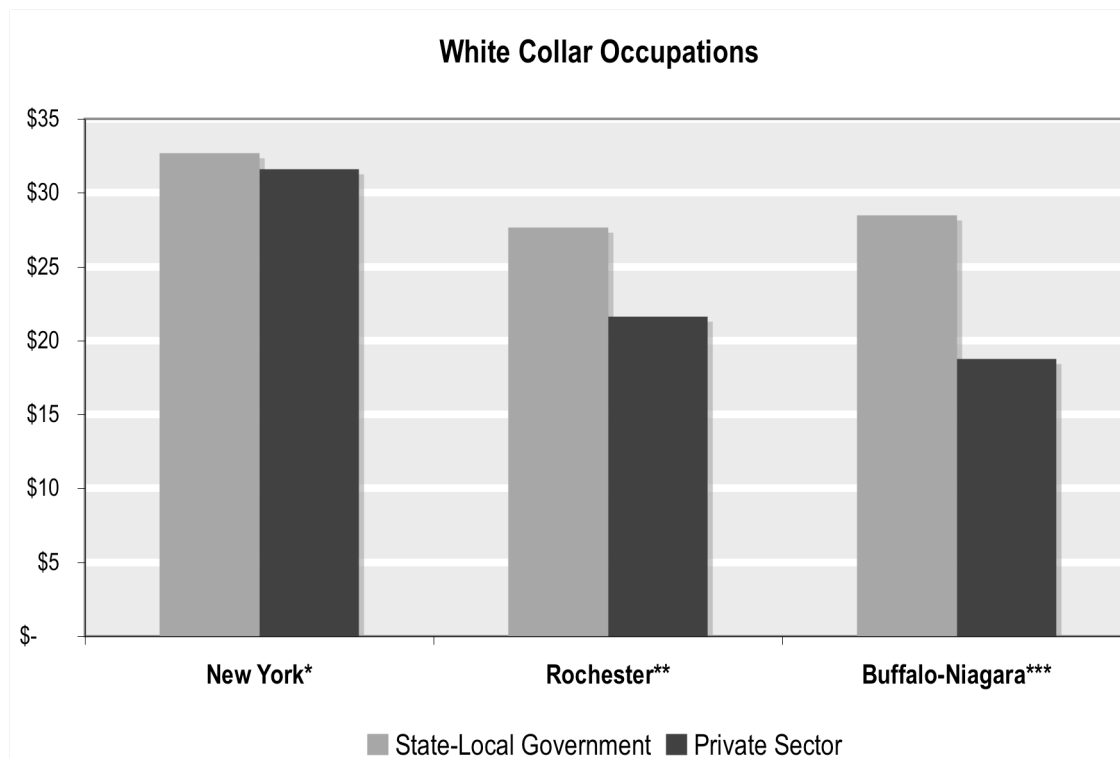
**Averages Wages and Salaries, 2006**  
**State and Local Government vs. Private Sector**

	<b>State</b>	<b>Local</b>	<b>State &amp; Local Government</b>	<b>Private</b>	<b>Ratio*</b>
Statewide	\$48,528	\$47,155	\$47,402	\$56,878	0.83
<i>Statewide Private, Excluding Finance and Insurance</i>				<i>\$46,833</i>	<i>1.01</i>
Capital Region	\$51,077	\$37,409	\$43,959	\$38,253	1.15
Central New York	\$38,510	\$38,506	\$38,507	\$37,298	1.03
Finger Lakes	\$48,806	\$37,098	\$39,122	\$38,321	1.02
Long Island	\$44,065	\$57,251	\$55,563	\$45,036	1.23
Mid-Hudson	\$47,755	\$50,979	\$52,006	\$51,817	1.00
Mohawk Valley	\$49,486	\$32,481	\$36,564	\$30,064	1.22
New York City	\$53,207	\$50,805	\$51,008	\$77,045	0.66
North Country	\$50,578	\$33,096	\$38,727	\$29,300	1.32
Southern Tier	\$41,223	\$32,719	\$34,672	\$36,750	0.94
Western New York	\$44,027	\$38,859	\$40,063	\$34,610	1.16

\* State and local government average divided by private sector average.

*Source: New York State Department of Labor*

## Average Hourly Earnings State-Local Government vs. Private Sector, 2005



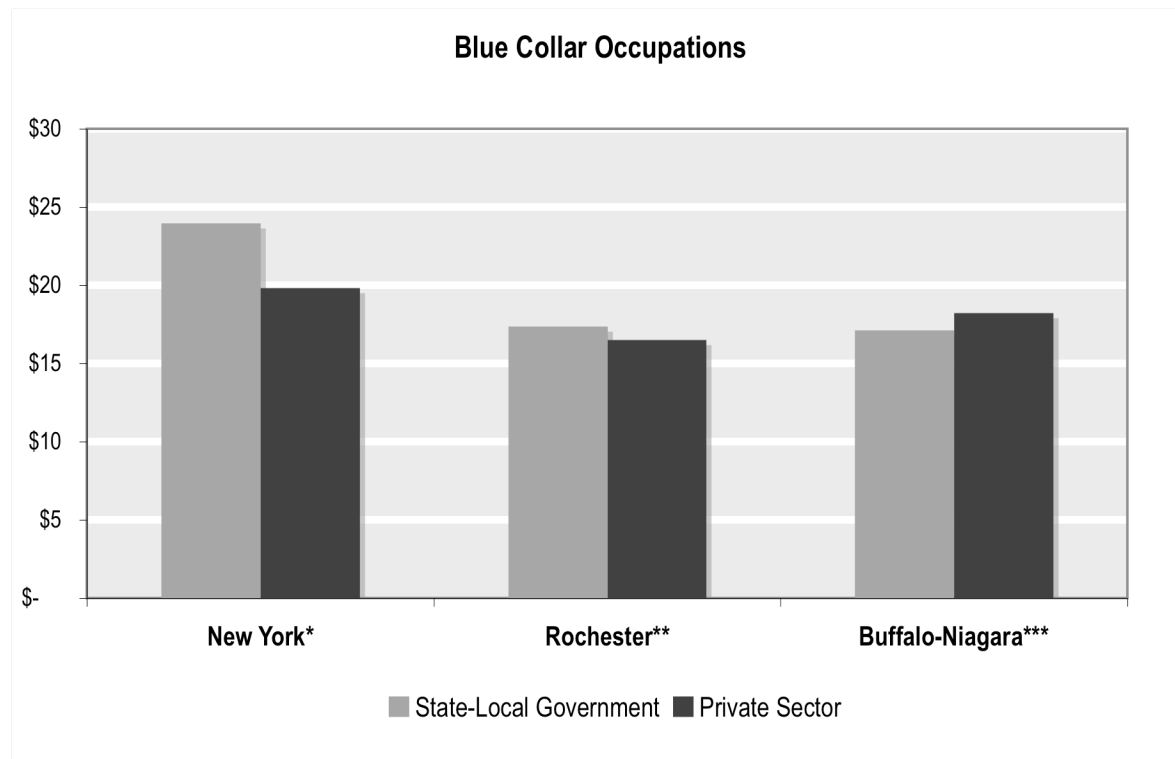
Source: The U.S. Bureau of Labor Statistics, National Compensation Survey: Occupational Wages in New York- Northern New Jersey- Long Island, NY-NJ-CT-PA: Mean Hourly Earnings Table 2-1. Mean Weekly Hours Table 3-1. December 2005; Occupational Wages in Buffalo-Niagara Falls, NY: Mean Hourly Earnings Table 2-1. Mean Weekly Hours Table 3-1. March 2006; Occupational Wages in Rochester, NY: Mean Hourly Earnings Table 2-1. Mean Weekly Hours Table 3-1. December 2005. All available at [www.bls.gov/ocs](http://www.bls.gov/ocs)

\* New York region includes New York City and seven counties in New York State (Long Island and the lower Hudson Valley); 14 counties in northern New Jersey; one county in Pennsylvania; and all or part of three counties in Connecticut.

\*\* Buffalo-Niagara region includes Erie and Niagara counties.

\*\*\* Rochester region includes Genesee, Livingston, Monroe, Ontario, Orleans, and Wayne Counties.

## Average Hourly Earnings State-Local Government vs. Private Sector, 2005



Source: The U.S. Bureau of Labor Statistics, National Compensation Survey: Occupational Wages in New York- Northern New Jersey- Long Island, NY-NJ-CT-PA: Mean Hourly Earnings Table 2-1. Mean Weekly Hours Table 3-1. December 2005; Occupational Wages in Buffalo-Niagara Falls, NY: Mean Hourly Earnings Table 2-1. Mean Weekly Hours Table 3-1. March 2006; Occupational Wages in Rochester, NY: Mean Hourly Earnings Table 2-1. Mean Weekly Hours Table 3-1. December 2005. All available at [www.bls.gov/ocs](http://www.bls.gov/ocs)

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**Selected Employee Benefits**  
**Private Sector\* and New York State Government\*\***

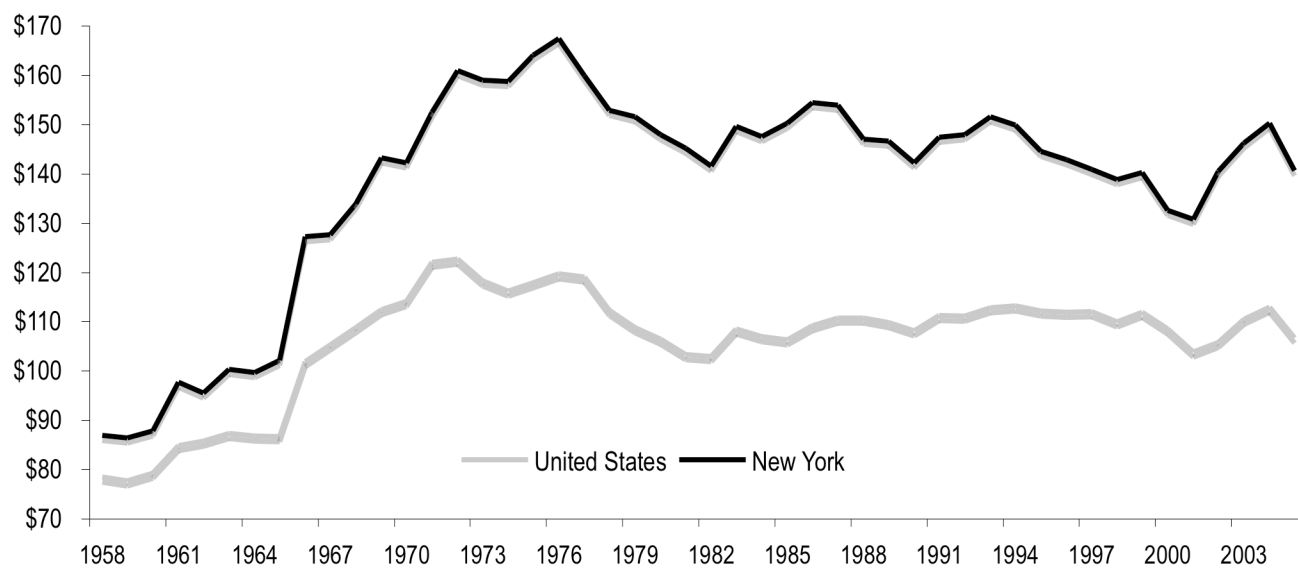
	State	Private average
Number of paid holidays	12	9
Number of paid vacation days:		
After 1 year	14	10.2
After 5 years	18	15
After 10 years	20	18.1
<i>Percent with access to:</i>		
Retirement benefits of any kind	100	78
Defined-benefit pension	100	34
<i>Percent with access to employer-supported health benefits:</i>		
Medical	100	84
Dental	100	64
Vision	100	40
Outpatient prescription drug	100	81
<i>Percent employer share of health insurance premium:</i>		
Individual coverage	90	82
Family coverage	75	74

\* Firms with more than 100 employees.

\*\* CSEA classified service employees in the Executive Branch who are subject to the Attendance Rules for Employees in New York State Departments and Institutions

Source: U.S. Department of Labor, Bureau of Labor Statistics, National Compensation Survey: Employee Benefits in Private Industry in the United States, March 2007

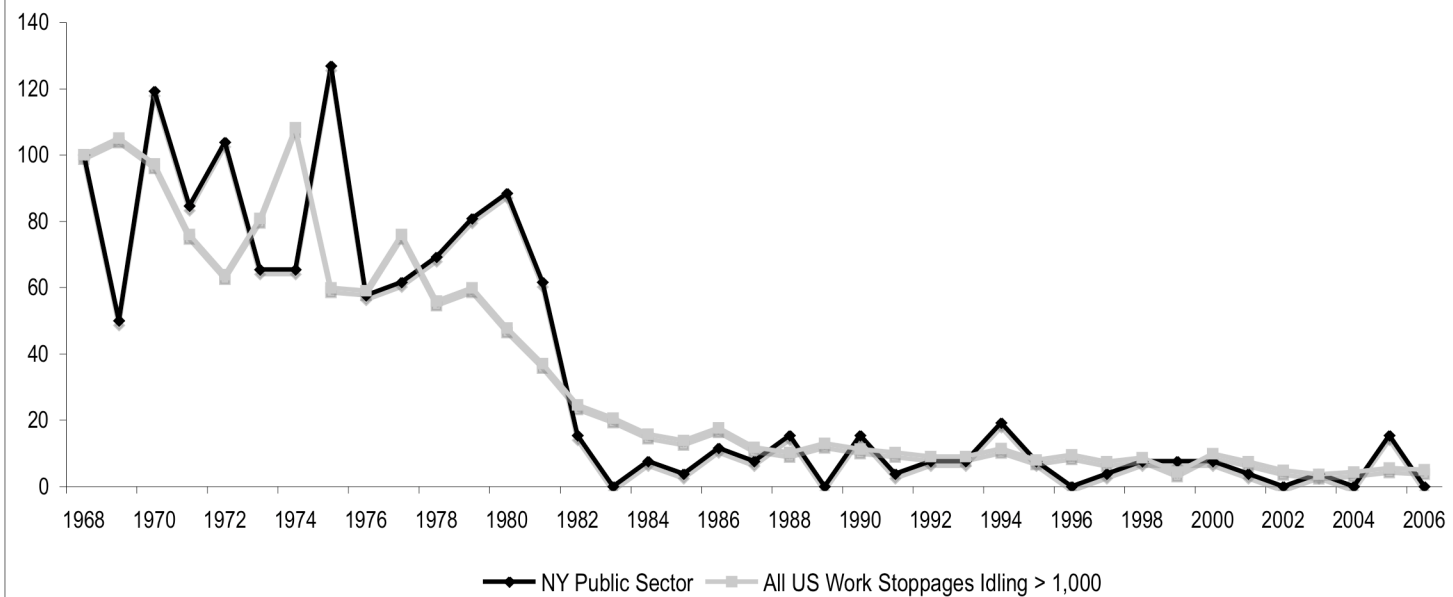
**State and Local Taxes per \$1,000 of Personal Income  
U.S. and NY, 1958-2004**



Source: U.S. Census Bureau and U.S. Commerce Department, Bureau of Economic Analysis

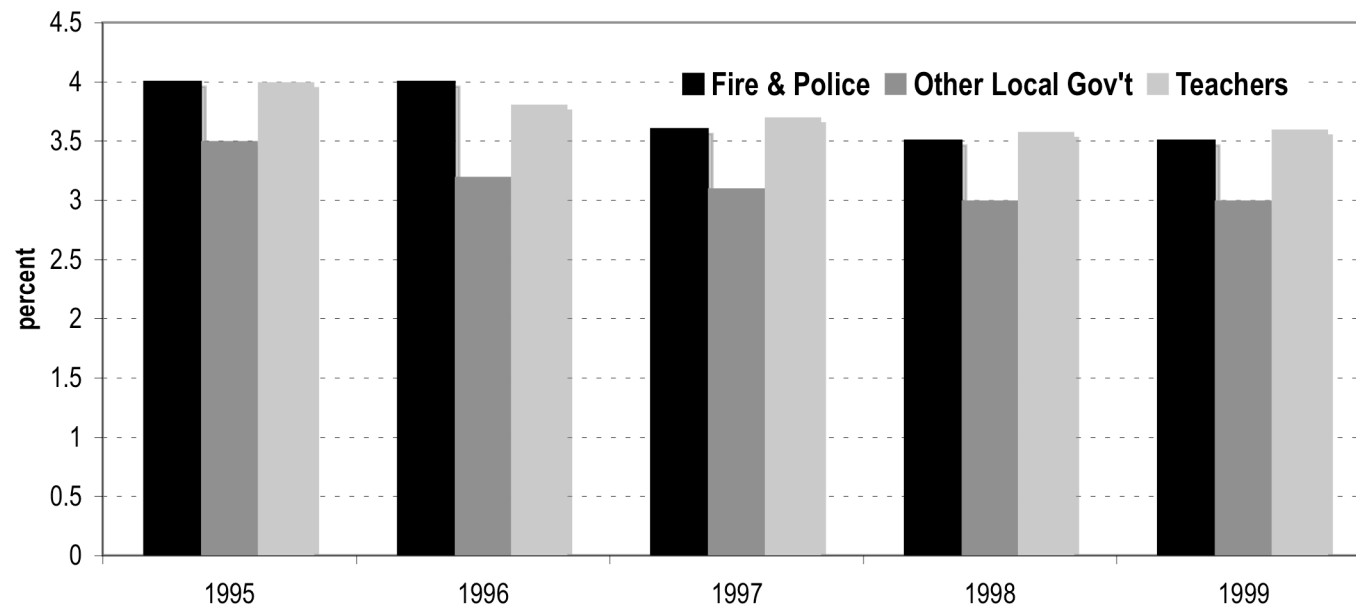
## Public Sector Strikes in New York State and Major Work Stoppages in U.S.

1968-2006 (Indexed, 1968 = 100)



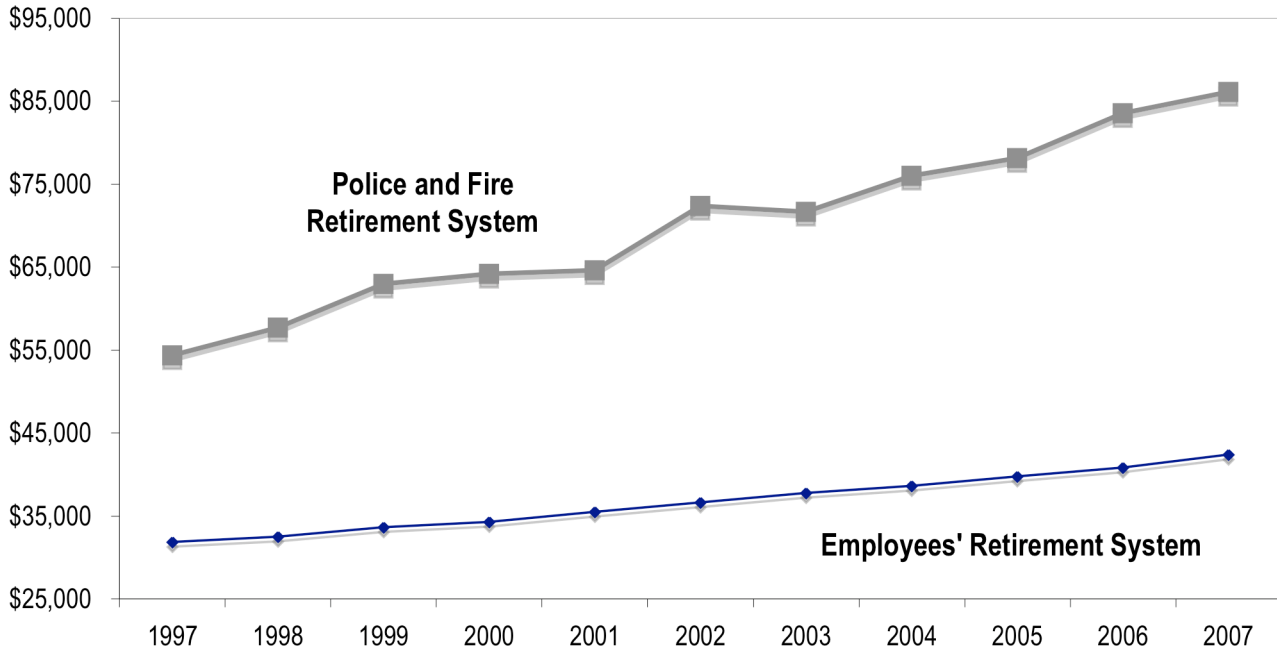
Source: NYS Public Employment Relations Board statistics from *Annual Report* and U.S. Department of Labor

### Median Percentage Wage Increases



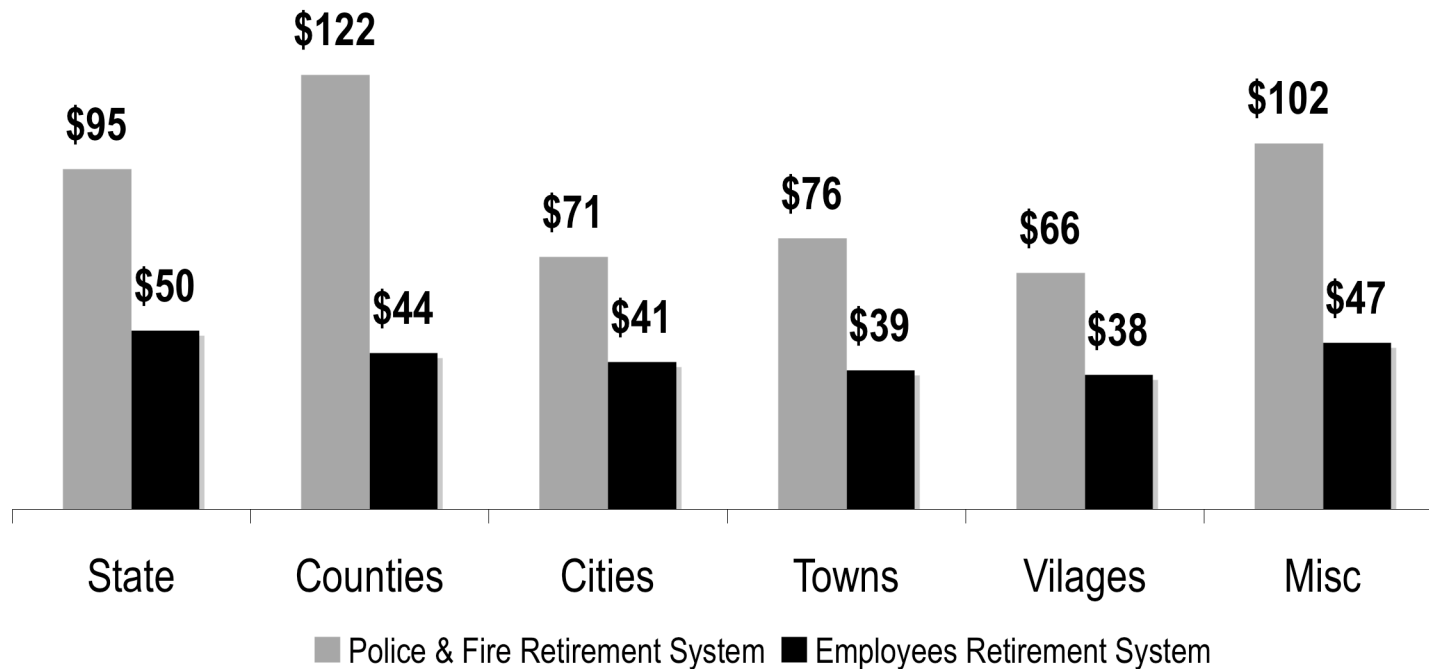
Source: New York State Public Employment Relations Board, Contract Analysis Program.

**Average Salaries, NYS Retirement System Members**



Source: New York State and Local Retirement System, Comprehensive Annual Financial Report

**Average Salaries, by Employer, 2006-07  
(thousands of dollars)**



*Source: New York State and Local Retirement System, Comprehensive Annual Report*

# The Triborough Effect

## Sample Teachers' Salary Schedule

Based on Suffolk County Medians, 2006-07

S T E P S	L A N E S			
	Bachelors	Masters	Masters+30	Masters+60
1	43,455	49,499	53,904	65,127
2	45,397	51,694	56,285	67,685
3	47,338	53,888	58,666	70,243
4	49,280	56,083	61,047	72,800
5	51,221	58,277	63,428	75,358
6	53,163	60,472	65,809	77,916
7	55,333	62,870	68,226	80,666
8	57,503	65,268	70,643	83,416
9	59,672	67,667	73,059	86,165
10	61,842	70,065	75,476	88,915
11	64,012	72,463	77,893	91,665
12	65,888	74,889	80,193	92,319
13	67,763	77,314	82,493	92,974
14	69,639	79,740	84,794	93,628
15	71,514	82,165	87,094	94,283
16	73,390	84,591	89,394	94,937
17	73,890	85,851	90,914	96,444
18	74,391	87,111	92,434	97,951
19	74,891	88,370	93,953	99,458
20	75,392	89,630	95,473	100,965
21	75,892	90,890	96,993	102,472
Annual Avg.	2.7%	2.9%	2.8%	2.2%

Source: "Salary Workbook and Fringe Benefit Study, Long Island, NY, 2006-2007," Long Island Schools Boards Association. Assumes uniform increments between selected steps reported as the 50<sup>th</sup> percentile for Suffolk County school districts.

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**Sample Teachers' Salary Schedule**  
Based on Suffolk County Medians, 2006-07

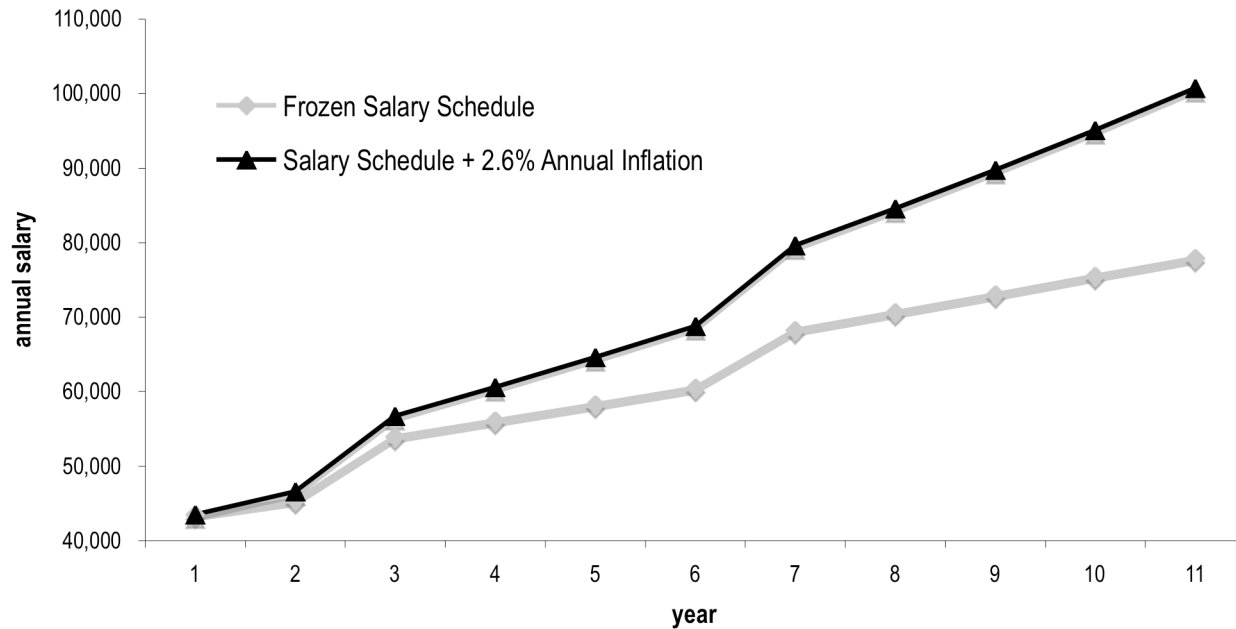
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S T E P S	L A N E S			
	Bachelors	Masters	Masters+30	Masters+60
<b>1</b>	<b>43,455</b>	49,499	53,904	65,127
<b>2</b>	<b>45,397</b>	51,694	56,285	67,685
<b>3</b>	47,338	<b>53,888</b>	58,666	70,243
<b>4</b>	49,280	<b>56,083</b>	61,047	72,800
<b>5</b>	51,221	<b>58,277</b>	63,428	75,358
<b>6</b>	53,163	<b>60,472</b>	65,809	77,916
<b>7</b>	55,333	62,870	<b>68,226</b>	80,666
<b>8</b>	57,503	65,268	<b>70,643</b>	83,416
<b>9</b>	59,672	67,667	<b>73,059</b>	86,165
<b>10</b>	61,842	70,065	<b>75,476</b>	88,915
<b>11</b>	64,012	72,463	<b>77,893</b>	91,665
<b>12</b>	65,888	74,889	<b>80,193</b>	92,319
<b>13</b>	67,763	77,314	<b>82,493</b>	92,974
<b>14</b>	69,639	79,740	<b>84,794</b>	93,628
<b>15</b>	71,514	82,165	87,094	<b>94,283</b>
<b>16</b>	73,390	84,591	89,394	<b>94,937</b>
<b>17</b>	73,890	85,851	90,914	<b>96,444</b>
<b>18</b>	74,391	87,111	92,434	<b>97,951</b>
<b>19</b>	74,891	88,370	93,953	<b>99,458</b>
<b>20</b>	75,392	89,630	95,473	<b>100,965</b>
<b>21</b>	75,892	90,890	96,993	<b>102,472</b>
<i>Annual Avg.</i>	<b>2.7%</b>	<b>2.9%</b>	<b>2.8%</b>	<b>2.2%</b>

*Source: "Salary Workbook and Fringe Benefit Study, Long Island, NY, 2006-2007," Long Island Schools Boards Association. Assumes uniform increments between selected steps reported as the 50<sup>th</sup> percentile for Suffolk County school districts.*

## A Teacher Climbs the Pay Scale\*

(Assumes BA on Steps 1-2, MA on Steps 3-6, and MA+30 on Steps 7-11)



\* Based on Suffolk County Salary Schedules at 50th Percentile

Source: Calculations based on data from Nassau-Suffolk School Boards Association



*Courtesy of the Schenectady Daily Gazette*

## Schalmont School District 2005-06 Teacher Salary Schedule

(For teachers with bachelor's degrees\*\*)

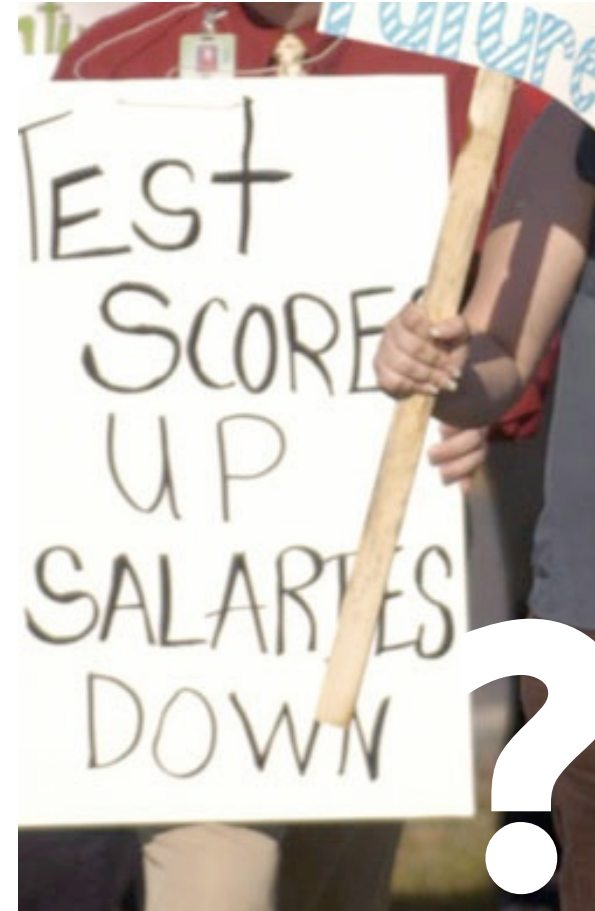
Step	Base Salary	Step	Base Salary
1	36,429	14	56,338
2	39,128	15	58,347
3	39,994	16	60,269
4	40,865	17	62,340
5	41,920	18	64,244
6	43,357	19	66,378
7	44,662	20	68,637
8	46,299	21	70,924
9	48,031	22	73,349
10	49,744	23	75,775
11	51,337	24	77,392
12	52,852	25	83,364

**Average Annual Step Increase — 3.4%**

*\*\* Teachers with Master's degree earn an additional \$2,370 to \$2,870*

*\*\* Added \$5,000 stipend for teachers with National Board Certification*

*Source: Schalmont Central School District*



*Courtesy of the Schenectady Daily Gazette*

# **Taylor Law Reforms**

(per “Taylor Made”):

- Make “ability to pay” the prime issue in arbitration.
- Eliminate automatic pay hikes under Triborough Amendment.
- Fix PERB rulings on outsourcing, retiree health insurance, “past practices,” and police & fire disability.

# **Added Accountability Reforms**

## **“Truth in Contracting”**

- Full public disclosure—in advance of ratification—of fiscal impacts associated with proposed collective bargaining agreements by all government employers in New York State.
- Report cost baselines associated with contract provisions on items such as salaries, staffing, overtime, equipment, health benefits, vacation and leave, and retiree benefits.
- Initial baseline analyses to be developed at state expense through comptroller’s office, which also will develop accounting model for new impact disclosures.



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