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### Labor says: Cut here

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Now this is the kind of labor-management dispute we love.

This month, Chicago Mayor Rahm Emanuel sent out layoff notices to as many as 625 city workers and gave labor leaders a choice: Agree to common-sense changes in work rules that would save millions of dollars or kiss those jobs goodbye.

Now city unions have fired back with a budget-cutting plan of their own, and they have delivered several solid ideas.

Chicago could be in for a race to responsibility. We're delighted that it's happening.

The city has a huge budget hole to fill in 2012 — more than \$600 million. Filling it will require job cuts, reduced services, sacrifices all around. That will be much easier to accomplish if there is cooperation between organized labor and the Emanuel administration.

So kudos to the Coalition of Unionized Public Employees for whipping out an insightful 31-page report on how to wring efficiencies from the city budget.

The report outlines spending reforms and management job cuts with a potential savings of \$242 million a year. Some of that could be wishful thinking — the labor leaders acknowledge this research was done in hurried fashion. What really matters is that this could signal a new mindset. Public-employee unions, often seen as resistant to change, have put forward a serious agenda to save taxpayers money. And they say that, given time, they can come up with more ideas.

Bring 'em on.

The union-funded report targets much of its savings from the ranks of management. It says that, proportionally, more supervisors than front-line workers have retained their jobs in recent years. That raises the question: If there are fewer workers to supervise, why does the city need so many supervisors?

Exhibit A: The report says Chicago's Department of Family and Support Services has 203 people managing 334 people. That's a ratio of one supervisor for 1.6 employees. That's a far cry from the 1-in-10 ratio considered optimal. The department does important work, and the report excludes several hundred part-timers. Still: 14 deputy commissioners, four assistant commissioners, six assistants to commissioners and 17 directors sounds awfully top-heavy. In many cases, those jobs pay six-figure salaries. Cut, cut, cut.

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The mayor responded Tuesday with a letter to the labor leaders that says he has eliminated 100 middle and senior management jobs and put a hiring freeze on another 175 management jobs. No doubt there are more management cuts to come. The letter to labor promises cooperation. Both sides talked eagerly Tuesday about the savings available through health care/wellness reforms.

The union report also recommends allowing city workers to bid against private vendors for public service contracts. Sometimes city workers could do the job for less, Jorge Ramirez, the Chicago Federation of Labor president, said in a meeting Tuesday with the editorial board. We strongly favor competition for these service contracts. The private sector should be allowed to bid against public employees for garbage pickup — and the unions should have the chance to wrest work away from private contractors if it can be done at less expense.

One big question is unresolved. The labor leaders haven't conceded on the work-rule changes sought by Emanuel to close the 2011 budget gap and avoid those 625 layoffs. The work-rule changes have to happen. Every efficiency has to be in play, for this year and beyond.

The deficit is real. Closing it this year and next will take all the cuts Emanuel has proposed and all the cuts the unions have proposed — and then some. The proposals to date cover only part of the problem. The mayor and the unions are coming up with good ideas. Keep them coming.

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