



# **Collaboration between Unions, Citizens, & Municipalities**

Toward a Common Narrative

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## **Abstract**

Local governments in New York State are facing unprecedented challenges to financing public service provision. Various state policies in recent years have led to fiscal stress at the local level, which has negative consequences for municipalities, unions and citizens. One frame is that high property taxes and local government inefficiencies are the problem; but another frame points to declining state aid and increased state mandates that put local governments in a bind. In this report, we examine how local leaders and unions can work together to reframe the narrative to highlight the impact of state austerity policy and the critical role local government services play in ensuring quality of life in our communities. We highlight principles that can lead to successful collaboration between municipalities, unions and citizens to reframe the narrative around local government efficiency and state austerity. We profile successful cases of collaboration between municipalities and unions, including innovative examples from Rochester, Buffalo, and Canada.

## **Introduction**

These are difficult times for local governments in New York State. In recent years, the State has enacted several tax policies that have put localities in a bind. In addition to a self-imposed state spending cap of just two percent per year, leaders have chosen to both cap and freeze property tax revenues.<sup>1</sup> All of this is taking place at a time when direct aid to

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<sup>1</sup> Fiscal Policy Institute (2014), "New York State Economic and Fiscal Outlook 2014-2015," retrieved from <http://fiscalpolicy.org/new-york-state-economic-and-fiscal-outlook-2014-2015>

municipalities has fallen to an all-time low. While these issues make it difficult for local governments to operate properly and provide essential services, they also put pressure on labor unions and citizens, who ultimately suffer when services are cut. If labor unions, local officials, and other advocates for public services hope to reverse the trends of recent years, they must push back against the State's framing of local government as inefficient and present an alternative narrative. In this paper, we will explore the possibilities for collaboration between parties and what this collaboration might look like.

In the first section, we will use practitioner interviews, various primary source documents and tax data to contrast Governor Cuomo's framing with the perspectives of those on the ground in localities throughout the state. Next, we will map out the different ways in which labor unions and local governments can work together to change the framing around issues of taxation and public expenditures. Here we draw heavily from the FrameWorks Institute and Demos, two organizations that conduct extensive research on public framing. Last, we will examine the opportunities for collaboration. Our informant interviews point to common ground when it comes to state policy, and both academic literature and case studies show that collaboration of this type is possible when a shared commitment exists.

### **Framing the Problem: Alternative Perspectives**

During his 2014 re-election campaign Governor Andrew Cuomo argued that, while state income taxes have decreased, there is still more work to do in relieving New Yorkers' tax burdens. Local property taxes are "the problem," he said, and they are largely caused by the "waste and duplication" of New York's "over 10,000 local governments."<sup>2</sup> Other campaign

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<sup>2</sup> Jesse McKinley, "Cuomo, Citing Local Government Waste, Says It's 'Time We Fix' High Property Taxes," *New York Times* 27 October 2014.

advertisements praised the Governor for balancing four consecutive budgets, eliminating the deficit, and creating a surplus of \$2 billion.<sup>3</sup> In these advertisements, and indeed in his record as Governor, Cuomo has created a clear narrative that places blame for New York's problems squarely on local governments, painting them as inefficient and redundant.

The perspective on the ground, however, is quite different. In this section we will describe the various ways in which both local perspectives and raw data conflict with Governor Cuomo's framing. In order to do so, we draw on our review of various primary source documents and data from the Comptroller's Office and the Fiscal Policy Institute. Additionally, a number of insights here and elsewhere in the paper come from key informant interviews with officials from labor unions, organizations representing local governments, and civil society groups.<sup>4</sup>

#### *Local Perspectives: Local Governments*

The New York Conference of Mayors and Municipal Officials (NYCOM) advocates at the state level on behalf of municipalities and municipal leaders.<sup>5</sup> As such, members of this organization intimately understand the challenges of state-imposed fiscal stress. Recently, NYCOM created a website called "Stop the Tax Shift," which levels a number of criticisms against current state policy. Primary amongst these criticisms is a lack of state aid to municipalities and unmanageable mandates on both service provision and operations.<sup>6</sup> As the site's section on State Aid argues, "various constraints have been imposed on the overall level of state aid to local governments," which in part leads municipalities to "remain under tremendous

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<sup>3</sup> To view Governor Cuomo's 2014 campaign advertisements, visit <https://www.youtube.com/user/TeamCuomo>

<sup>4</sup> Interviews conducted October--November, 2014. Names are not reported.

<sup>5</sup> New York State Conference of Mayors and Municipal Officials, "Mission," retrieved from <http://www.nycom.org/about-nycom/mission.html>

<sup>6</sup> "Stop the Tax Shift," retrieved from <http://stopthetaxshift.org/>

fiscal stress.”<sup>7</sup> One organization official argues that the state has placed numerous limits on raising revenues, but has not given any commensurate help on the size of expenditures. With an increasing amount of state mandates, “there are only so many places to cut.” As a result, local government officials are often forced to look for savings through workforce reduction.

Other local government agencies have similar issues with certain state policies. The New York State Association of Counties (NYSAC), for example, recently passed a resolution calling for more state investment in infrastructure. State matching funds for local road and bridge projects have remained flat for years, the resolution notes, adding “that this level of state highway aid to municipalities will put tremendous pressure on a local transportation system already in crisis.”<sup>8</sup> Furthermore, the New York State School Boards Association says property tax freezes “[pit] homeowners against schoolchildren” and “present numerous challenges to effectively operating school districts.”<sup>9</sup> Reliable infrastructure and quality schools are vital in maintaining functioning communities, but state policy has in many ways hampered localities from providing these services in a high-quality manner.

#### *Local Perspectives: Labor Unions*

Union officials throughout the state also share this frustration. New York State United Teachers (NYSUT) represents over 600,000 current and retired workers in New York State. These members work primarily in elementary and secondary schools, universities, and healthcare facilities.<sup>10</sup> Considering the largest portion of the union’s membership comes from the ranks of classroom teachers, state-imposed fiscal stress measures have been particularly harmful. “We

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<sup>7</sup> “State Aid,” retrieved from <http://stopthetaxshift.org/state-aid>

<sup>8</sup> New York State Association of Counties, “Resolution 1: Resolution Urging Greater Investment in the State’s Consolidated Highway Improvement Program (CHIPS) and Marchiselli Program,” February 2013, retrieved from <http://www.nysac.org/legislative-action/NYSAC-TransportationRes1-Feb2013.php>

<sup>9</sup> New York State School Boards Association, “The Perils of the Proposed Property Tax Freeze,” March 2014.

<sup>10</sup> New York State United Teachers, “Who We Are,” retrieved from <http://www.nysut.org/about>

are trying to prepare students for the 21<sup>st</sup> century economy,” said one union staff member. It is impossible to do this when state budgets continue to decline.

Schools draw a significant amount of revenue from property taxes. As such, any limits on this source of income – such as caps or freezes – make it more difficult for school districts and their employees to carry out their work. Speaking about an adopted proposal to freeze property taxes for homeowners in some school districts, former NYSUT President Richard Iannuzzi said, “This is nothing less than a perverse incentive for school districts to deny their community’s children the programs and services they need.”<sup>11</sup> NYSUT is not the only union frustrated by recent changes to New York State tax policy. The Civil Service Employees Association (CSEA) Local 100 – affiliated with the American Federation of State, County, and Municipal Employees (AFSCME) – represents public employees throughout New York State. In December 2013, the New York State Tax Relief Commission released a report calling for a two-year property tax freeze for certain homeowners, corporate tax relief measures, and an increased threshold for wealthy individuals to qualify for the estate tax. “It’s easy to promise more tax giveaways to the rich and powerful when they come at the expense of local government taxpayers and the community services they depend on,” CSEA President Danny Donohue said at the time. “This is more of the same policy that will just increase the misery index for people and communities.”<sup>12</sup>

This past August, the New York State AFL-CIO – a labor federation that represents over 3,000 local unions and 2.5 million members throughout the state<sup>13</sup> – took a nearly unprecedented step when it chose not to endorse Governor Cuomo, an incumbent Democrat, in his reelection

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<sup>11</sup> NYSUT Media Relations, “NYSUT: Amid Positives, State Aid Proposal Woefully Inadequate,” 21 January 2014, retrieved from <http://www.nysut.org/news/2014/january/nysut-amid-positives-state-aid-proposal-woefully-inadequate>

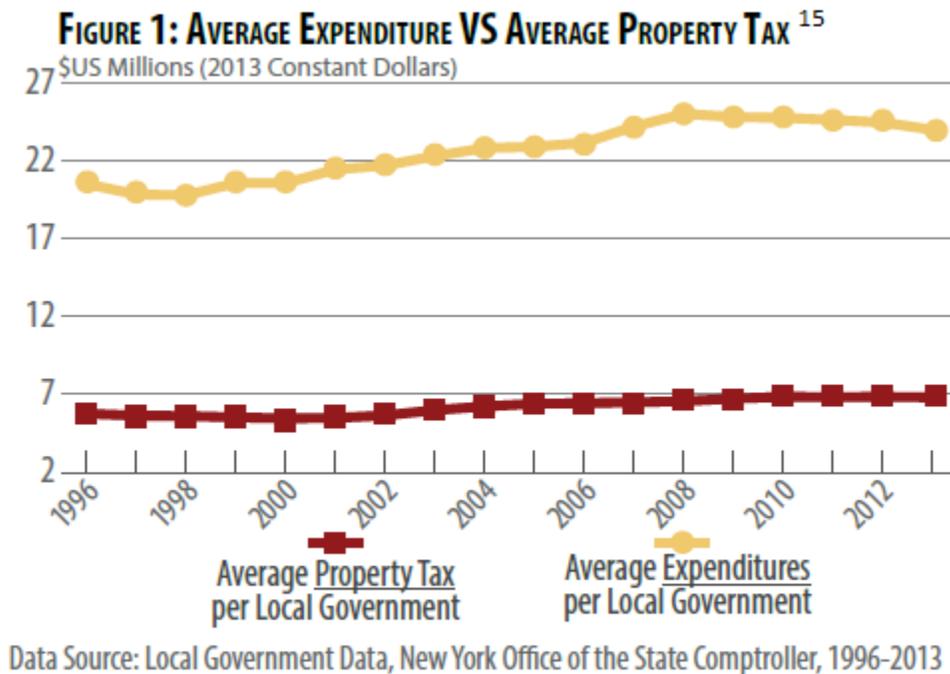
<sup>12</sup> Civil Service Employees Association, AFSCME Local 1000, “CSEA Slams New York Tax Relief Commission Report,” December 2013, retrieved from <https://cseany.org/csea-slams-new-york-tax-relief-commission-report/>

<sup>13</sup> New York State AFL-CIO, “About Us,” retrieved from <http://nysaflcio.org/about/>

bid.<sup>14</sup> While Cuomo still enjoys support from a number of unions in the state, the federation’s actions reflect a growing frustration with policies that many member unions feel are bad for workers and their communities.

*What Do the Data Say?*

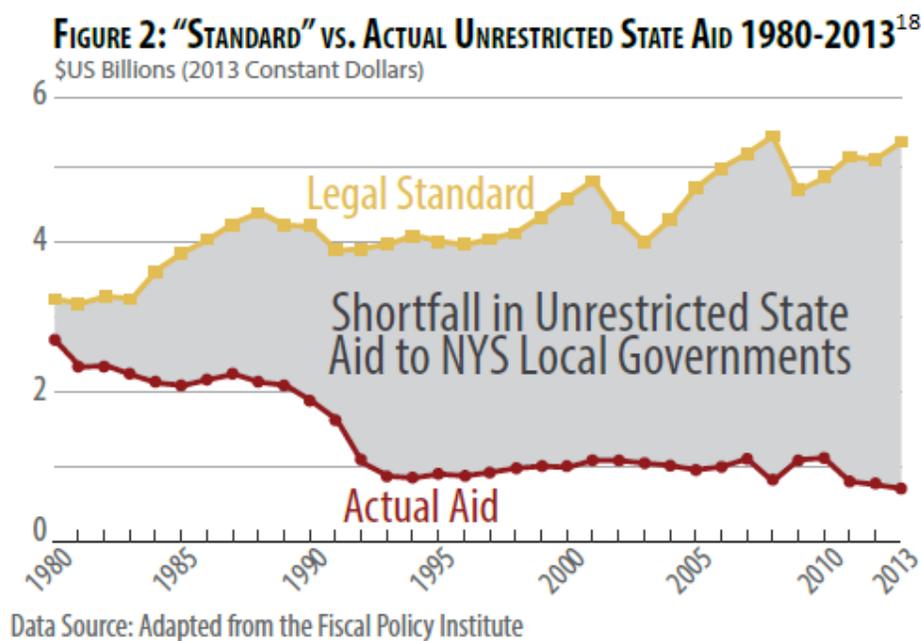
The data on these issues support many of the local government and labor union leaders’ claims about fiscal stress. Local governments have held tax expenditures relatively flat in real terms over the past decade, and property taxes were flat or falling even before the State passed tax cap legislation (see Figure 1).<sup>15</sup> Furthermore, the 10,000 local governments figure Governor Cuomo cites is an overstatement. There are 1,613 counties, cities, towns and villages in New York State, in addition to 675 school districts. Other units are special districts typically created for accounting purposes.



<sup>14</sup> Jimmy Vielkind, “Anti-Cuomo Unions Work to Engineer Rebuke, if Not Defeat,” *Capital New York*, 19 August 2014, retrieved from <http://www.capitalnewyork.com/article/albany/2014/08/8550957/anti-cuomo-unions-work-engineer-rebuke-if-not-defeat>

<sup>15</sup> Prepared by the authors of: Tax Cap Impact Analysis. (2014). Retrieved from <http://www.mildredwarner.org/restructuring/fiscal-stress>

Unrestricted State aid to municipalities has also decreased significantly over the last 30 years. In 1970, New York State passed revenue sharing legislation which would redistribute a portion of the State’s tax collection to municipalities in order to provide “flexible, equitable and predictable aid.”<sup>16</sup> After changes to the legislation in the 1970s and 1980s, an “8% standard” was established: 8% of the State’s total tax collection would be shared with cities, counties, towns, and villages based on population, valuation, and other factors.<sup>17</sup> Since 1980, the State has never met this “8% standard,” and the gap between the “standard” and the actual amount of unrestricted State aid has widened year after year, as shown in Figure 2.<sup>18</sup> In fact, by 2013 AIM funding was only one-third the amount it should have been under the standard. In inflation-adjusted dollars, there has been a nearly 75% decrease in unrestricted aid over the last 30 years. With a \$2 billion surplus, the State has the opportunity to provide more aid to localities, but it plans to hold AIM funding flat until 2018.<sup>19</sup>



<sup>16</sup> Office of the New York State Comptroller, “Revenue Sharing in New York State,” February 2005.

<sup>17</sup> Ibid.

<sup>18</sup> Graph modified from Fiscal Policy Institute (2014), “New York State Economic and Fiscal Outlook 2014-2015,” p. 42.

<sup>19</sup> Fiscal Policy Institute (2014), “New York State Economic and Fiscal Outlook 2014-2015,”

## Changing the Frame

As the above evidence shows, there are clear issues with Governor Cuomo’s framing of local-level fiscal stress and government inefficiencies. However, just pointing out these inaccuracies, as we did above, likely will not have much of an effect on citizens. A simple statement of facts does not resonate, which makes the way in which one frames these issues critical to garnering support from citizens. In this section, we will explore some possibilities for changing the frame in a way that highlights the positive attributes of government and the critical role that budgets and tax revenues play in helping us achieve our common goals as a society. This section draws heavily on research conducted by both the FrameWorks Institute and Demos regarding what messages to emphasize and how to emphasize them.

### *Draw Explicit Links Between Budgets and Taxes*

One may think that the link between tax revenues and the budget process is obvious, given that one could not exist without the other. However, one surprising finding from the FrameWorks Institute is that people often do not make an explicit connection between these two concepts.<sup>20</sup> This lack of understanding can manifest in a number of ways. In its report “How to Talk About Budgets and Taxes,” the FrameWorks Institute references what it calls “the Investment Trap.” When people hear taxes as investment, some associate it with a personal decision, disconnected from the compulsory nature of taxation. Such viewpoints separate the taxation process from the expenditures governments make to ensure short-term and long-term community health.<sup>21</sup>

If people do not make this connection between budgets and taxes on their own, then advocates must help to make it for them. One way to do this is to shift the frame on taxes and

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<sup>20</sup> FrameWorks Institute (2010), “How to Talk About Budgets and Taxes: A FrameWorks Message Memo,” p. 6-7.

<sup>21</sup> “How to Talk About Budgets and Taxes,” p. 16.

budgets from investments to preventative measures. Specifically, the FrameWorks Institute lists three points that are important to emphasize:

- Acting now to prevent problems from becoming worse is the responsible thing to do.
- Postponing action will have collective, not just individual, consequences.
- Using resources that we have today can help us solve problems.<sup>22</sup>

Such framing shifts the conversation from investments to collective responsibilities, while drawing an explicit connection between our current resources and budgetary expenditures.

To help ground this concept, one could think of expenditures on storm resiliency. Following Hurricane Sandy, Mayor Michael Bloomberg spoke of making “investments to fortify vulnerable neighborhoods.”<sup>23</sup> Bloomberg tries to appeal to the future-focus mentioned above but the use of the word “investments” makes the action sound individual; as in, government is investing in fortifications by itself and citizens are not involved. A potential reframing could instead say that citizens and government have a collective responsibility to fortify New York for the next storm; thus, taxes now will allow government to budget for storms in the future.

### *Do Not Repeat Negative Frames*

When one hears a contrary viewpoint, especially one based in incorrect stereotypes, the tendency is to engage with the viewpoint and systematically refute it. As the FrameWorks Institute points out in “Framing Public Issues,” this can do more harm than good. By repeating a negative frame, one in essence lends the frame legitimacy. What makes more sense is to “dismiss the old frame and immediately substitute a new one.”<sup>24</sup> This technique can be

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<sup>22</sup> “How to Talk About Budgets and Taxes,” p. 9 (The bullet points are pulled verbatim from the text of this report).

<sup>23</sup> “Mayor Bloomberg Outlines Ambitious Proposal to Protect City Against the Effects of Climate Change to Build a Stronger, More Resilient New York,” New York City, June 11, 2013, retrieved from <http://www1.nyc.gov/office-of-the-mayor/news/201-13/mayor-bloomberg-outlines-ambitious-proposal-protect-city-against-effects-climate-change>

<sup>24</sup> FrameWorks Institute (2002), “Framing Public Issues,” p. 43.

especially important when discussing taxes and government service provision, both of which are subject to myriad negative stereotypes from large portions of the public.

An example of this type of reframing can be seen with the St. Paul Federation of Teachers. For years the union operated within a negative framework about the teaching profession that began to take hold with more and more people. One union report explained this framework in the following way:

“According to the narrative that often dominates public discussion about public education, teachers don’t know how to teach, they must be monitored and disciplined. Anyone can learn to teach – it’s just a job with some training needed. Teacher unions protect bad teachers, make unreasonable demands of the system and are holding educational reforms hostage.”<sup>25</sup>

Eventually the union stopped trying to refute this story and decided instead to change it entirely.

Officials worked with outside organizations to craft a new narrative:

“We are committed to building a new society... We believe in honoring the value of and cultivating each student’s potential... We believe working in community is essential to student success... We believe educating students is a craft that requires talented and committed professionals... We are committed to working collectively as a powerful force for justice, change and democracy.”<sup>26</sup>

The new narrative never mentions the negative elements of the old frame, but it still manages to refute the negative images it perpetuated. The union constantly pushed this narrative both in its public communications and in its dealings with management, and it helped lead to powerful alliances around the important role public schools play in the community.

### *Use Metaphors to Bridge Gaps*

Another point of emphasis for the FrameWorks Institute is the use of metaphors to help people make the right connections. “People make connections between one set of things and another... They use what is familiar (my family, my neighbors) to allow them to understand what

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<sup>25</sup> Eric Fought (2014), “Power of Community: Organizing For the Schools St. Paul Children Deserve,” retrieved from <http://www.spft.org/2014/06/power-of-community-report-released/>, p. 6.

<sup>26</sup> Fought, “Power of Community,” p. 8-9.

is foreign or complex (my nation, other nations).”<sup>27</sup> Public budgeting and tax policy are incredibly complex issues, and without metaphors people can get lost in the details. However, people can sometimes rely on metaphors that should not be applied to the situation. For example, many people equate their household budget with a government budget. In order to reframe the narrative around these issues, it is important to redirect people’s thinking from an individualistic viewpoint to one that is more collective. The creation of new metaphors can help in this respect.

### *Always Emphasize a “Can-Do” Belief System*

Advocates of public services often rely on appeals to helping the poor and the downtrodden when arguing their points. Such framing is understandable, as public servants often choose their careers out of a desire to help others. But a report from Dr. Matthew Nisbet argues that framing issues in this manner is a mistake.<sup>28</sup> Building on Nisbet’s point, Demos’ David Callahan writes, “the ‘sympathy for the poor’ frame is a total loser.”<sup>29</sup> This is largely because such a framing focuses the issue on the poor themselves and makes citizens feel inadequate in solving problems. Although Demos discusses this concept in the context of low-wage work, their findings can be extended to this report, as low-income individuals are arguably more reliant on quality public services than those who can afford alternatives.

Instead of framing issues in terms of sympathy, one can focus on how such measures improve the economy and create a prosperous future.<sup>30</sup> This framing gives citizens a sense of agency, and it also dovetails with an important finding from the FrameWorks Institute:

“Engaging Americans in ‘can do’ thinking is especially effective.”<sup>31</sup> Americans tend to believe

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<sup>27</sup> “Framing Public Issues,” p. 46.

<sup>28</sup> Matthew Nisbet (2007), “Communicating About Poverty and Low-Wage Work: A New Agenda,” *The Mobility Agenda*, retrieved from: [www.mobilityagenda.org/USUKExecSumm.pdf](http://www.mobilityagenda.org/USUKExecSumm.pdf)

<sup>29</sup> David Callahan, “How to Talk About Low Wage Work,” *Demos*, 19 August 2013, retrieved from <http://www.demos.org/blog/8/19/13/how-talk-about-low-wage-work>

<sup>30</sup> Nisbet, “Communicating About Poverty and Low-Wage Work,” p. 19.

<sup>31</sup> “Framing Public Issues,” p. 30.

in our collective ingenuity and ability to solve major problems. By appealing to this mindset rather than emphasizing issues that frustrate people into inaction, one can use the power of framing to mobilize citizens to defend public services and government services.

A concrete example of this thinking comes from the service delivery report for this conference. In their report, this team highlights the use of user fees for garbage collection in Ithaca. Under this model, people must pay for each bag of garbage they put out for collection, but all recycling is free.<sup>32</sup> Such an action could be framed as local government policy giving citizens an opportunity to reduce their own consumption and play a role, however small, in combating climate change. This emphasizes a “can-do” approach while emphasizing the individual citizen’s role in creating a better future.

#### *Interpret Data, Do Not Just Present It*

Numbers alone do not win arguments, at least not in the public domain. The numbers, charts, and figures we presented earlier in this report, for instance, provide a compelling counterweight to Governor Cuomo’s framing of tax issues. However, the Governor has been able to use the power of storytelling to drive home his point, and he has been quite effective at convincing the public that taxes are too high and local governments are too inefficient. As the FrameWorks Institute points out, many Americans find it difficult to interpret data. Thus, any argument based solely on numbers is unlikely to win in the end. “The narrative is more powerful than the numbers,” FrameWorks writes, and “the meaning more memorable than the mean.”<sup>33</sup>

Instead of simply using numbers to refute questionable points, advocates of strong public service provision should always interpret these numbers for their audiences. By telling a compelling story about how tax caps and falling state aid affect people on a personal level, one

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<sup>32</sup> Local Innovations in Public Service Delivery (2014). Retrieved from [www.mildredwarner.org/restructuring/fiscal-stress](http://www.mildredwarner.org/restructuring/fiscal-stress)

<sup>33</sup> “Framing Public Issues,” p. 45.

can change the conversation away from the traditional anti-tax viewpoints that dominate our politics. “The trick is to have an interpretation, a ‘story’ ready to translate the numbers thrown at you into a more powerful meaning,” FrameWorks writes. “This does not mean you should drop all numbers, but rather that you should use them sparingly and always link them to meaning.”<sup>34</sup>

In sum, changing the frame around local government will require presenting a new frame (i.e. not refuting the Governor point by point) that uses metaphor and narrative to: (1) draw explicit links between budgets and taxes, (2) emphasize that inaction now will lead to problems in the future, and (3) describe what local governments and others are doing and can do to solve these problems. The Cornell Creative Responses to Fiscal Stress project presents creative ideas and successful examples around issues of economic development, infrastructure, and service delivery that could be used when creating this new narrative.<sup>35</sup>

### **Opportunity for Municipal-Citizen-Union Collaboration**

So far we have outlined the contrast in how Governor Cuomo frames fiscal issues and what people on the ground are experiencing. We have also detailed a handful of principles that advocates for strong public services can use in reframing the debate over these issues. One important question remains, though: Does the will exist amongst the different parties in New York State to put aside their differences and work towards a common goal of reframing the debate and pushing back against state policies they deem harmful? We believe that the answer to this question is “yes.”

In the final portion of this report, we return to our primary document research and key informant interviews to detail the policy areas in which local governments and union leaders

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<sup>34</sup> “Framing Public Issues,” p. 45.

<sup>35</sup> For full reports on these topics, see <http://www.mildredwarner.org/restructuring/fiscal-stress>

agree. We then examine the literature on collaborative partnerships and use three short case studies to show that collaboration can happen when the parties involved can find common ground and are dedicated to its success.

### *Finding Common Ground: New York State*

#### Property Tax Cap

One of the most significant areas of agreement between labor and management in New York is the need for changing the state's property tax cap. In its 2014 legislative agenda, the New York State AFL-CIO calls for "fixing the inflexible property tax cap."<sup>36</sup> Unwise tax policies make it difficult to provide the services New Yorkers need, and they can also lead to a reduction in employment for public workers that can drag down local economies. NYSUT, an affiliate of the AFL-CIO, agrees with this assessment, calling for significant reform to the tax cap in its 2014 legislative agenda.<sup>37</sup> A number of union officials argue that the state's property tax cap is inflexible and needs to be changed in ways that make it easier for school districts to function. In Massachusetts, for example, school districts are allowed to exempt certain expenses from the cap that are deemed beyond their control, such as energy usage.<sup>38</sup> By exempting some items from the cap, schools can pay for unexpected expenses without sacrificing instruction-related expenditures.

A number of local government organizations are also seeking changes to the state's property tax policies. Like NYSUT, NYCOM has called for more exclusions to the state's property tax cap. "The property tax cap contains limited exclusions for a small portion of local pension costs and settlement expenses," according to the organization's 2014 Legislative

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<sup>36</sup> New York State AFL-CIO, "Making New York Work: 2014 Legislative Agenda."

<sup>37</sup> New York State United Teachers, "42<sup>nd</sup> Annual Representative Assembly: 2014 Legislative Program," 4-6 April 2014.

<sup>38</sup> See "Tax Cap Impact Analysis" for information: <http://www.mildredwarner.org/restructuring/fiscal-stress>

Program. “The list of exclusions must be expanded to include, at a minimum, unanticipated expenditures related to the destruction of or damage to municipal infrastructure or equipment.”<sup>39</sup>

The New York State School Boards Association has a similar outlook, albeit on a smaller scale. In its 2014 legislative priorities, the School Boards Association calls for exclusions related to school safety expenditures, including the equipment and resource officers needed to provide New York State’s schoolchildren with a secure learning environment.<sup>40</sup>

### State Aid to Local Governments

Another area of agreement between these two sides is the inadequate aid the State provides to local governments. The State AFL-CIO’s 2014 legislative agenda calls for two changes in this area: 1) Reversing state budget cuts that harm workers and negatively affect service provision, and 2) Increasing state aid to local governments and school districts.<sup>41</sup>

Perhaps unsurprisingly, similar items appear in NYSUT’s legislative documents.<sup>42</sup> Without adequate state funding, public employees directly suffer due to budget cuts. Reversing these negative trends is critical for the future health of the State’s labor movement, union representatives note.

Similarly, NYCOM’s 2014 legislative program calls for increased state aid to local governments. As mentioned previously, the state has constrained AIM funding in a number of ways over the years. “Municipalities cannot rely on the inconsistent and unpredictable revenue streams currently available to them,” states NYCOM’s legislative document.<sup>43</sup> Predictable and increased aid would go a long way in the effective management of local agencies. A number of more community-focused organizations also agree on this issue. For example, Ron Deutsch of

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<sup>39</sup> NYCOM, “2014 Legislative Program.”

<sup>40</sup> New York State School Board Association, “Pathway to Prosperity: 2014 NYSSBA Legislative Priorities.”

<sup>41</sup> New York State AFL-CIO, “Making New York Work.”

<sup>42</sup> New York State United Teachers, “2014 Legislative Program.”

<sup>43</sup> New York Conference of Mayors and Municipal Officials, “2014 Legislative Program.”

New Yorkers for Fiscal Fairness and the Fiscal Policy Institute points to the role that AIM cuts and other funding schemes have played in causing stress at the local level.<sup>44</sup>

### Infrastructure Spending

Infrastructure is the lifeblood of local governments. Without an adequate network of roads and bridges, it is impossible for citizens and businesses to connect in a way that sustains the economy on a day-to-day basis. Due to the centrality of infrastructure, both labor and local governments have called for increased state spending in this area. The New York State AFL-CIO suggests improving infrastructure through increased funding,<sup>45</sup> while NYSAC calls for something similar in its 2014 Legislative Program. Such funding, NYSAC argues, would “increase safety, promote economic development and create local jobs.”<sup>46</sup> Organized labor supports all of these goals as well. Although some officials sympathize with the state’s fiscal limitations in recent years, many also believe that now is the time to increase funding. The state is running a surplus of roughly \$2 billion, and increased state aid for infrastructure investment would be an appropriate use of these funds.

### *What Does the Literature Tell Us about Collaboration?*

While there is clearly an overlap in interests in New York State, historical antagonisms often get in the way of effective collaboration. Luckily, different strands of scholarship can inform efforts to achieve such a partnership. The first set of literature that can be helpful focuses on the idea of social movement unionism. According to Peter Fairbrother, social movement unionism stands in contrast to “business unionism,” which is hierarchical and has low rates of participation amongst union members. Social movement unionism has four dimensions. First, it is locally focused, with a special emphasis on rank and file mobilization. Second, it experiments

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<sup>44</sup> Ron Deutsch, interview by authors, 7 October 2014

<sup>45</sup> New York State AFL-CIO, “Making New York Work.”

<sup>46</sup> New York State Association of Counties, “2014 Legislative Program.”

with collective actions beyond the workplace. Third, it involves building alliances and coalitions with non-union organizations and community members. Fourth, it embraces “emancipatory politics,” and outlines a transformative vision for what society could look like.<sup>47</sup> In the book *Success While Others Fail*, Paul Johnston describes how social movement unionism applies specifically to the public sector workplace. “Public workers’ movements,” he writes, “are constrained to frame their demands as public policy – rational, universalistic, and, purportedly at least, in the public interest.”<sup>48</sup>

Another helpful area of research focuses on the use of labor-management partnerships (LMPs). LMPs tend to be developed jointly between management, union leaders, and other stakeholders, and one of the primary goals is to improve the performance of a firm, organization, or even an entire region.<sup>49</sup> LMPs require all parties to look beyond the typical, adversarial nature of collective bargaining. Workers and unions have an increased voice in management decisions, and in exchange they accept a greater role in ensuring firm performance.<sup>50</sup> Some of the strongest examples of labor-management partnerships come from the world of education, where all sides work together to improve both teaching practice and student outcomes.<sup>51</sup> Scholars have found that school districts with labor-management partnerships tend to see increases in student test scores, parent engagement, graduation rates, and other important areas.<sup>52</sup>

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<sup>47</sup> Peter Fairbrother (2008), “Social Movement Unionism or Trade Unions as Social Movements,” *Employee Responsibilities and Rights Journal*, 213-214.

<sup>48</sup> Paul Johnston (1994), *Success While Others Fail: Social Movement Unionism and the Public Workplace*, Ithaca, NY: ILR Press: 4.

<sup>49</sup> Barry Bluestone and Irving Bluestone (1992), *Negotiating the Future: A Labor Perspective on American Business*, New York: Basic Books: 255-257.

<sup>50</sup> Stuart Korshak, “A Labor-Management Partnership: San Francisco’s Hotels and the Employees’ Union Try a New Approach,” *Cornell Hotel and Restaurant Administration Quarterly*, 2000.

<sup>51</sup> Department of Education, *Advancing Student Achievement through Labor-Management Collaboration* (conference agenda), 2011, Denver, CO and Department of Education, *Shared Responsibility: A U.S. Department of Education White Paper on Labor-Management Collaboration*, 2012.

<sup>52</sup> Allyne Beach and Linda Kaboolian (2003), *Public Service, Public Savings: Case Studies in Labor-Management Initiatives in Four Public Services*, Cambridge, MA: The Public Sector Labor-Management Committee and the John F. Kennedy School of Government, Abigail Paris (2011), *Partnerships in Education: How Labor-Management*

With the current situation in New York State, these two concepts can be useful when looked at in conjunction. Social movement unionism theory is quite expansive in its scope. Two of its major tenets, though, are building community alliances and outlining a transformative vision for what society should look like. Even when working in conjunction with local government agencies, labor unions can play this role in New York State around issues of tax policy and public services. Similarly, labor management partnerships tend to focus on quality improvement within the workplace. We argue that collaborative efforts can be extended to include not only improving efficiency at the job site, but also changing the narrative around state and local policies.

### *Case Studies of Collaboration*

We have shown the areas of overlap between labor unions and local governments in New York State and detailed the relevant literature. We end the report by describing three different collaborative efforts between local governments, labor unions, and citizens. Not all of these examples deal with issues of fiscal stress narratives, per se. However, by providing examples of collaboration, they can serve as models for practitioners in New York State who are active in the pushback against state-imposed austerity. As such, they can help us to understand further how disparate organizations can come together around a common agenda.

### Innovative Approaches to Collaboration in Rochester<sup>53</sup>

Following the 2008 recession, the city of Rochester implemented a number of innovative approaches to deal with its fiscal challenges. City officials were able to do this by adopting mechanisms that maintained service provision while minimizing the negative impact on the

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*Collaboration is Transforming Public Schools*, Washington, DC: American Rights at Work Education Fund, and Saul Rubinstein and John McCarthy (2011), *Reforming Public School Systems Through Sustained Union-Management Collaboration*, Washington, DC: Center for American Progress.

<sup>53</sup> Patience Milrod, Eithel Manrique, and Bárbara Marchiori de Assis (2014), “City of Rochester: From an Industrial City to a Knowledge-Based Economy,” retrieved from <http://cardi.cornell.edu/cals/devsoc/outreach/cardit/training/loader.cfm?csModule=security/getfile&PageID=1119669>

workforce seen in many other places. For example, the city revamped its sanitation department by investing in semi-automated garbage trucks that doubled as snowplows. Although the new sanitation department required less manpower, the city was still able to utilize many of these workers in different ways by reassigning them to recycling operations. This collaborative initiative allowed Rochester to save money without privatizing its sanitation services.

Additionally, municipal unions agreed to help manage health costs by setting a cap on annual increases to employee health care and establishing a trust fund to cover excess claims. This required some sacrifice, but it also gave the union a greater say in city administration. The terms are spelled out in a three-year Memorandum of Agreement which outlines a vision of “an active role for employees in finding ways to reduce the costs of health care, and a Joint Labor/Management Health Care Committee that comprises four members of the City Administration and leaders from each of the City’s four labor unions.”<sup>54</sup> These examples demonstrate that, with creativity and flexibility, local governments and unions can find common ground in combating the negative effects of fiscal stress while simultaneously benefiting the community at large.

### Open Buffalo

Open Buffalo stems from an unprecedented collaborative process between community leaders, local foundations, academics, labor and business leaders, activists and residents. This collaboration took place around a common objective of making long-term improvements to justice and equity in the city.<sup>55</sup> In collaboration with government officials, partners developed the Open Buffalo Plan and applied for planning grants offered by the Open Places Initiative of the Open Society Foundation. The final aim of this grant is “to increase the capacity of local

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<sup>54</sup>Milrod, Manrique, and Marchiori de Assis, “City of Rochester.”

<sup>55</sup> Open Buffalo, <http://www.openbuffalo.org>

communities to bring about lasting systemic change in equity, justice, and democratic practice.”<sup>56</sup> Four community groups – the Coalition for Economic Justice (CEJ), the Partnership for the Public Good (PPG), PUSH Buffalo, and VOICE-Buffalo – were especially active in the process, which involved “door knocking, community events, focus groups, three working groups, a planning council, and an advisory committee.”<sup>57</sup> Open Buffalo received the grant from Open Society in January of 2014.

The four community groups mentioned in the previous paragraph integrated the viewpoints of several civil society organizations, research centers, labor unions, and faith and student organizations. The Cornell School of Industrial and Labor Relations’ Buffalo Regional Office hosted the planning and coordination meetings. This is a space usually dedicated to union leadership development and workplace health and safety initiatives. Additionally, important unions such as the Upstate Division of 1199 SEIU United Healthcare Workers East and the Communications Workers of America Local 1168 participated in discussions to develop the Open Buffalo plan.

Open Buffalo has worked to motivate and bring together a wide range of community leaders, unions, and citizens. Instead of simply blaming local governments for their problems, myriad people have decided to become an active part of the solution. In order for the program to succeed beyond mobilization, though, continued collaboration with local government will be vital. Open Buffalo has three programmatic goals: 1) “Restorative Justice,” which is meant to offer ex-offenders a way to reintegrate into their communities and is done in collaboration with the Buffalo Public Schools and the criminal justice system, 2) “Worker Equity,” which is meant to empower workers and fight poverty amongst populations that do not typically fare well in the

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<sup>56</sup> Open Buffalo, “What is Open Buffalo?” retrieved from <http://www.openbuffalo.org/about/open-buffalo/>

<sup>57</sup>“What is Open Buffalo?”

labor market, and 3) “High Road Economic Development,” which focuses on Community Benefit Agreements in order to promote quality jobs, education and training, and local business opportunities.<sup>58</sup>

#### Canadian Union of Public Employees (CUPE) and Canadian Municipalities<sup>59</sup>

The above examples show that successful collaboration has taken place in New York State. It is also important to look across borders for examples, especially when these international cases go deeper than what one can see locally. This happens to be the case in Canada. With over 628,000 members, CUPE is the largest union in Canada, and it has long-standing collaborative relationships with several Canadian municipalities. This collaboration takes place on a wide range of issues, including service delivery, public safety, municipal revenue, and community planning. The Federation of Canadian Municipalities (FCM) regularly invites CUPE to its annual conference. In 2014 CUPE offered a workshop and launched the toolkit “Building Better Communities—A Fair Funding Toolkit for Canada’s Cities and Towns.”<sup>60</sup> The toolkit – which CUPE developed in collaboration with municipal leaders, experts, and citizens – proposed new municipal revenue sources for financing localities in a fair and sustainable manner. It contains a description of the main challenges municipalities face (including an aging population, climate change, and growing income gaps), tips for applying fair and equitable tools in municipal finance, and nine current and potential municipal revenue sources, such as fuel taxes, retail and sales taxes, and development charges.<sup>61</sup>

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<sup>58</sup> See Economic Development Issue brief (2014) for more detail: [www.mildredwarner.org/restructuring/fiscal-stress](http://www.mildredwarner.org/restructuring/fiscal-stress)

<sup>59</sup> Canadian Union of Public Employees (CUPE), “Municipalities,” retrieved from <http://cupe.ca/municipalities>

<sup>60</sup> Katrina Miller, Toby Sanger and Jordana Feist, CUPE (2014). *Building Better Communities—A Fair Funding Toolkit for Canada’s Cities and Towns*. Published by Canadian Union of Public Employees (CUPE), Ottawa, ON, retrieved from [http://cupe.ca/sites/cupe/files/field\\_publication\\_past\\_issues/toolkit\\_eng\\_final.pdf](http://cupe.ca/sites/cupe/files/field_publication_past_issues/toolkit_eng_final.pdf)

<sup>61</sup> Ibid.

Another successful collaborative effort is the City Watch program, which aims to prevent and reduce crime in several British Columbia communities. CUPE members, local governments, and police forces collaborate to implement the program, which provides the following:

“CUPE workers, who are out on the road during the day, and their dispatchers receive special training in watching for and reporting criminal or suspicious activity in the community. This way they can keep their eyes open during the course of their regular duties and help make our communities safe and secure for everyone.”<sup>62</sup>

In the program, city vehicles are equipped with a cellular phone or a radio system connected to a central dispatch, where city workers can report any suspicious activities or incidents. The dispatcher will contact the police or other emergency services accordingly. City Watch benefits the wider community by making neighborhoods safer. It also makes union members proud to give something back to the communities where they live and work.

When asked how CUPE and municipalities collaborate so successfully, Keith Reynolds – a National Research Representative for the union – explained that “the ‘how’ arises from commitment.” This commitment, he stressed, comes from all sides. For unions, this requires “treating municipalities as employers and allies.” As such, CUPE has a department dedicated to handling joint projects and collaborative efforts with municipalities. This shows CUPE’s dedication to connecting with the local governments and working jointly towards sustainable and strong communities.

## **Conclusion**

As the Rochester, Buffalo, and CUPE examples show, collaboration is possible when the parties involved are dedicated to joint decision-making. The “how,” as Keith Reynolds puts it, is different in each case. In Rochester, it involved flexibility and openness to redefining work rules

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<sup>62</sup> CUPE, “City Watch”, retrieved from <http://www.cupe.bc.ca/campaigns/city-watch>

on the union's part. In Buffalo, it required a mass effort to mobilize populations not typically involved in the political process. With CUPE, it came about due to open lines of communication and a commitment on the union's part to collaborate with municipalities, which is exemplified by its dedication of staff to the project. In New York State, the impetus for collaboration is clearly present. Our interviews and examination of primary source documents show that labor unions and local government officials both feel pinched by current state policies, and that they agree on a number of the changes needed in this respect.

Although historical antagonisms still exist, the nature of New York State's current struggles might help to bring all sides together. Given New York State's restrictive tax policies and Governor Cuomo's concern regarding local government inefficiencies, any collaborative effort towards shifting state policy will need to focus first on reframing the narrative around these issues. The data show local governments in New York are leaders in sharing services to achieve efficiencies, but they need supportive state policy<sup>63</sup>. New York State's union and local governments have an important role to play in responding to state austerity measures and ensuring that communities are well-functioning. By working together they can promote service delivery reform at the local level and policy reform at the state level. A new narrative needs to be created by focusing their common energies on changing the debate along the lines that organizations such as the FrameWorks Institute and Demos have outlined.

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<sup>63</sup> See NYS 2013 Shared Services survey results and case studies found at [www.mildredwarner/restructuring/nys](http://www.mildredwarner/restructuring/nys)