

# Mass layoffs threaten San Francisco city workers

## SEIU members reject concessions

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On May 15 San Francisco Mayor Gavin Newsom announced layoffs of hundreds of members of the Service Employees International Union as a response to the rejection of contract concessions demanded by the city and supported by SEIU officials in a bid to cut costs in a city whose budget deficit is reported to be \$438 million.

SEIU members voted 56 percent to 44 percent to reject the agreement.

Members of SEIU Local 1021, which covers more than 11,000 city workers (including janitors, security guards and health care workers), repudiated changes to their current contract that city officials claim would have saved \$38 million in the 2009-2010 fiscal year that begins on July 1. According to the *San Francisco Chronicle*, Newsom had hoped the workers' acceptance of these concessions would serve as an example to force other union members to grant similar concessions and cut \$90 million from the city budget. He reportedly admitted that now it will be more difficult to extract givebacks from other city workers.

"This blows a huge hole in the budget," Newsom said, according to the *Chronicle* report. "There will be dramatic layoffs and service cuts related to this."

The rotten agreement negotiated and "overwhelmingly" recommended by SEIU leaders included eliminating holiday pay for 11 days in 2009 and 2010 and giving up four floating holidays, while union officials declared it a great victory that the city would hold off on layoffs scheduled for May 1 until August 7 and delay further layoffs until after November 15. City workers would also have been "allowed" to retain a 3.75 percent pay increase. The workers rejected

the deal in the face of a concerted union and media campaign.

Newsom's budget director, Nani Coloretti, said that the city needs to find \$180 million to cover the deficit. That sum does not include the loss of an anticipated \$93 million now that the state ballot measures have failed. Now the state will be looking to local governments to bridge its own deficit.

The rejection by California voters of the state ballot measures in Tuesday's special election have stunned state legislators who hoped the people of California would sanction attempts to balance the budget on their backs. Governor Arnold Schwarzenegger has been exhorting Californians with threats that if the measures fail, even more draconian cuts in social programs and education would be put into effect.

Like the governor, Mayor Newsom has been using threats of dire consequences to bully workers, particularly the SEIU members, into voting against their own interests to fix a budget crisis that is not of their making.

On May 14 Newsom held an emergency meeting with department heads. The mayor had asked them to come up with proposed cuts totaling 25 percent of their budgets, but demanded another combined \$56 million in cuts to be delivered to him by noon on Monday. Blaming the department heads for "failure of leadership"—a statement confirmed by a source present at the meeting—Newsom said that the union negotiators "failed to convey the consequences of a 'no' vote" and that rank and file members "likely didn't realize hundreds of them will immediately lose their jobs."

The City Attorney's office is apparently looking into another option: the declaration of a "state of

emergency”—which hasn’t been used in San Francisco since the Great Depression—to allow the mayor to slash wages of city workers across the board.

SEIU officials are attempting to schedule a second vote on the agreement with the city, claiming that workers were “confused” about its details. However, Newsom counters that even if the union administration can ram through the contract it may come too close to the June 1 deadline for a balanced budget.

Meanwhile, 1,000 city employees are scheduled to be laid off beginning next week and 288 have already received layoff notices, expected to go into effect May 22.

The *Chronicle* reported on Tuesday that the layoffs will affect all city departments, but most drastically the Department of Public Health, the largest city agency. Recreation directors, security guards and other will also lose their jobs. The city employs approximately 29,000 people, from workers at the Hetch Hetchy Reservoir to park gardeners. Nathan Ballard, a spokesman for the mayor, blamed the layoffs on SEIU Local 1021.

“Because SEIU (1021) didn’t ratify the deal, now we have to scramble to balance the budget, and unfortunately that means layoffs,” Ballard said. He invoked the now tired expression “Everyone needs to do their fair share” argument and implied that the union membership had erred by rejecting a “sensible” agreement entered into by the city and SEIU. The local media is regularly denouncing the city workers as “greedy” and “unwilling to sacrifice.”

The media reported Tuesday that the Health Commission will hold hearings on how the department plans to cut \$140 million from next year’s budget. This target had been set by Newsom even before SEIU members rejected the contract concessions. Now he wants the health department to cut *an additional \$23 million*. These cuts include \$15 million to mental health and substance abuse services, the outsourcing of security at hospitals, and cuts to HIV services, the latter a particularly egregious act in San Francisco, which has been devastated by HIV/AIDS for decades.

The city’s Municipal Transportation Agency will also be affected. Already set to lose \$13.8 million dollars due to anticipated state cuts and labor costs, on top of a projected \$129 million shortfall the MTA has temporarily closed with fare hikes and service cuts, there has been no report thus far on how MTA officials

plan to bridge the new gap.

City Supervisor John Avalos held a rally on Monday to urge his colleagues to back a plan that would raise parking fines and fees to generate more money for transit and thereby reverse some of Muni’s planned service cuts and delay the fare increases.

City Supervisor Sean Elsbernd said, “There’s no way I am ever going to consider supporting revenue measures on the November ballot. I am not inclined to ask taxpayers for more money to pay for raises.” Elsbernd makes it sound as though city workers are demanding that taxpayers foot the bill for their living on easy street. In fact, the federal government—supported by the entire political and media establishment—has given billions in taxpayer money to billionaire bankers and speculators on Wall Street not only to keep their businesses afloat, but to finance their exorbitant bonuses and pay raises as well.

Jennifer Friedenbach, director of the Coalition on Homelessness said, “This means that people in San Francisco are going to be bearing the brunt of negotiations gone bad. We are not talking about equal pain here. What we’re really talking about is health and human services being totally devastated.”



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