

FRUCHER

1

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

CSEA INTERVIEW

of

MEYER (SANDY) FRUCHER

Thursday, November 12, 2009

New York City, New York

□

2

1 THE INTERVIEWER: For the record,
Page 1

FRUCHER

2 this is Thursday, the 12th of November 2009. We're
3 in New York City. We're speaking with Meyer
4 (Sandy) Frucher for the CSEA 100 Project and,
5 Sandy, thank you very much for doing this.

6 MR. FRUCHER: You're welcome.

7 THE INTERVIEWER: We really do
8 appreciate it and I'm sure you're gonna have a lot
9 to add to our history here.

10 I wonder if you would begin by
11 telling us a little bit about when you first became
12 aware of an organization called CSEA.

13 MR. FRUCHER: Well, when I first
14 came to Albany, I came to Albany as Director of the
15 New York State Commission on Management and
16 Productivity in the Public Sector. I had just come
17 out of the John F. Kennedy School of Government and
18 I was full of ideas or crazy notions about what
19 needed to be done to make New York State more
20 efficient.

21 Obviously, and in so doing, you have
22 to deal with the issue of the work force and work
23 force issues and so I worked on a series of
24 projects or programs that dealt with issues that

□

3

1 would affect employees, so consequently I had to
2 talk to and I appropriately talked to the folks who
3 represented the employees, the labor unions, and in
4 that case it was -- CSEA was the predominant union.

5 THE INTERVIEWER: M-m h-m-m. Do you
6 just want to hold it there for a second while we

FRUCHER

7 unplug the phone here?

8 About this commission, who founded
9 it and --

10 MR. FRUCHER: Well, it was founded
11 by the Legislature and the idea was to make New
12 York City, New York State, more efficient.

13 THE INTERVIEWER: What year was
14 this?

15 MR. FRUCHER: Oh, that was 1976.

16 THE INTERVIEWER: Okay. So it's
17 early in the Carey Administration --

18 MR. FRUCHER: Yes.

19 THE INTERVIEWER: -- and at that
20 time -- from there is that where you then went to
21 the Governor's Office of Employee Relations?

22 MR. FRUCHER: Well, over the course
23 of two years, from '76 to '78, I had a series of
24 proposals that I was working on and would, you

□

4

1 know, trundle over to CSEA and talk to the union
2 and their representatives about various ideas, most
3 of which from their point of view were
4 non-starters, like Civil Service reform and -- but
5 there were some that did spark some interest, like
6 bridging the administrative or secretarial workers
7 into the managerial ranks, on-site day care, and a
8 variety of other programs that I was able to engage
9 in a series of dialogues with the union about, so I
10 got to know the various players and they got to

FRUCHER

11 know me.

12 And even if they thought I was
13 misguided in a lot of ways, I think they at least
14 gave me some credit for being sincere in my desire
15 to improve the efficiency of State government and
16 in the quality of life of the employees, and so
17 that dialogue went on for a couple of years.

18 And then when Governor Carey was up
19 for re-election I was recruited out of the
20 Legislature to be involved in the campaign and I
21 left the Commission on a leave of absence to go
22 work in the campaign, the 1978 campaign, and there
23 I got to interact with the union and its leadership
24 around some very interesting issues, one of which

□

5

1 was the de-institutionalization of patients.

2 In that year CSEA was threatening to
3 run a one million dollar ad campaign effectively
4 against Governor Carey's re-election. They hired
5 an actress who they draped in a babushka and the
6 slogan was "Dump Carey not Patients" and it went
7 from there. It actually ended up in a very
8 interesting set of negotiations in which I was a
9 party/non-party.

10 In other words, I had no official
11 position in it but I spent a whole lot of time
12 traversing back and forth between the union and
13 friends and colleagues in State government to work
14 out something that ultimately became known as the
15 Morgado Amendment or Agreement, which actually set

FRUCHER

16 quotas, if you will, on the numbers of people
17 necessary for certain kinds of quality of care,
18 which on one level was quite expensive and on
19 another level probably set a standard, first in the
20 nation, in terms of care for patients.

21 At the end of that process, and I'm
22 sure there was no correlation between this and a
23 political outcome because that would have been
24 wrong, but the union at that point decided to

6

1 essentially stay neutral in that election and
2 contributed the maximum to both Governor Carey's
3 re-election as well as to Perry Duryea's campaign.

4 THE INTERVIEWER: All right. That
5 pretty much connects with a lot of what other
6 people have told us about those circumstances, but
7 there also seems to have been kind of a softening
8 of the position towards the Carey Administration
9 with the Morgado Memorandum, and I think the way
10 folks in CSEA have always looked at that it was
11 kind of with the backdrop of the Willow Brook
12 Consent Decrees and this was a commitment on the
13 part of Governor Carey to try to be more humane in
14 the care for the mentally ill as well as the
15 developmentally disabled.

16 MR. FRUCHER: Well, I would take
17 issue with the term, you know, be willing to be more
18 humane. I think Governor Carey who personally
19 suffered from incredible personal loss in his

FRUCHER

20 lifetime was the epitome of somebody that was
21 humane. The issue was an issue involving the
22 financial stability of the State.

23 One has to recall that Governor
24 Carey entered office in 1975 to a state and a city

7

1 that was essentially bankrupt, and while the City
2 of New York was saved by his actions, New York
3 State in fact defaulted on some UDC bonds, so poor
4 Governor Carey never governed in an era when he had
5 a whole lot of revenue to do things. The MHMR
6 areas were areas that were very, very close to his
7 heart.

8 The problem with institutional care
9 -- all right, now remember I'm -- this is a quarter
10 of a decade, a quarter of a century away, but the
11 problem was that the Federal reimbursements were
12 not effectively in place to reimburse states for
13 patient care, a hundred percent institutionalized
14 care. However, reimbursements were available in
15 de-mutualized care and so the cost to the State for
16 maintaining an institutionally-based system was
17 horrific.

18 And given the fact that MH and MR
19 were the two largest components of the actual
20 operational State budget, you're talking about
21 massive dollars. And not just in New York State
22 but across the country states were looking for ways
23 of off-loading a significant percentage of the cost
24 of providing humane care to people who were

1 mentally retarded or mentally ill in a way that
2 would allow the Federal government to pick up
3 legitimately a significant percentage of that cost.

4 So this was a very difficult
5 process. It wasn't a question of humanity versus
6 non-humanity. It was a question of how do you
7 provide quality care and spare the State from
8 bankruptcy.

9 THE INTERVIEWER: And one of the
10 other things I think needs to be pointed out in
11 this context, too, is that at that particular time
12 within CSEA Mental Hygiene workers made up the
13 largest block of the union membership --

14 MR. FRUCHER: Oh, yeah.

15 THE INTERVIEWER: -- so it was a
16 very interesting --

17 MR. FRUCHER: About 70 percent.
18 That's correct. So it was a very, very contentious
19 issue and it was a very difficult issue.

20 THE INTERVIEWER: Talk a little bit
21 about the start of the Carey Administration because
22 certainly when we talk about contentious times the
23 Governor's initial thrust with trying to deal with
24 the New York City fiscal crisis certainly created a

1 lot of controversy in Albany and in particular with

FRUCHER

2 the CSEA, and I wonder if you would talk about what
3 you remember of that dynamic.

4 MR. FRUCHER: Well, I mean the best
5 way to describe how Governor Carey came into office
6 was to use his own words in his inaugural State of
7 the Union Address. What he said was: The days of
8 wine and roses are over and, in fact, they were.
9 Both State and local governments, particularly New
10 York City government, were teetering on the edge of
11 fiscal collapse and the revenues that had always
12 been in the ascent were now going downhill.

13 So you were dealing with an
14 environment where a newly-elected Governor with new
15 ideas and new hopes and aspirations, and
16 constituents who had hopes and aspirations that
17 came with -- after 16 years of one-party rule were
18 looking for initiatives, new ideas, new programs,
19 new approaches, which tragically are very difficult
20 to do when you have no resources to do them, so
21 Governor Carey came in into a very, very difficult
22 situation.

23 I don't think anyone had any idea
24 how close to collapse the City of New York was and,

□

10

1 you know, this is a, you know, to quote John Dunn,
2 "No man is an island," and the fact is the State
3 cannot survive without the revenue coming from New
4 York City. Conversely, New York City cannot
5 survive without the resources provided by New York
6 State, and so it was absolutely critical that the

FRUCHER

7 Governor do everything in his power to save New
8 York City.

9 Unfortunately, in so doing, I think
10 a lot of people at the State level and I think
11 particularly State employees were angered by the
12 fact that in saving New York City and saving jobs
13 in New York City, while Governor Carey I think
14 appropriately held State salaries at zero for two
15 years and ostensibly New York City employees were
16 held to the same standard.

17 Unfortunately New York City
18 employees had COLAs built into their contracts and
19 New York State employees did not, and so while New
20 York City which was viewed as the epicenter of the
21 financial crisis, their employees while getting
22 zero were in fact getting COLAs. Remember in the
23 seventies inflation was running pretty darn high,
24 so those COLAs were pretty rich. And New York

□

11

1 State employees were getting zip, so there was a
2 lot of resentment that was built up around that
3 issue, very understandably on the part of the rank
4 and file of CSEA. Additionally, the same thing was
5 happening in other jurisdictions.

6 I always, as Director of Employee
7 Relations -- I always felt that I was between a
8 rock and a hard place as well because we had no
9 control over State dollars that were given to local
10 governments by formula, whether as an education

FRUCHER

11 formula or a distribution formula that went to
12 counties as general revenue or whatever, and yet we
13 would negotiate contracts commensurate with our
14 financial needs, but we had nowhere to go.

15 State and local governments were
16 more generous than the State to its employees
17 because besides or in addition to their own tax
18 base they were getting State Aid, so our money
19 would go to the local governments, their employees
20 would do better, our employees would do worse, and
21 that created, I would say, a difficult if not
22 hostile labor/management relations.

23 THE INTERVIEWER: Early in 1975 CSEA
24 had a massive demonstration outside the Capitol. I

12

1 think to this day it's regarded as perhaps the
2 largest gathering, maybe 25- to 30,000 people. Do
3 you remember that event?

4 MR. FRUCHER: Yeah, although maybe
5 the Spitzer inauguration had more numbers of people
6 outside the steps.

7 (Laughter.)

8 THE INTERVIEWER: Could be. Could
9 be.

10 MR. FRUCHER: I do. I do.

11 THE INTERVIEWER: What do you
12 remember about it?

13 MR. FRUCHER: I -- just the enormity
14 of it and what it bespoke.

15 THE INTERVIEWER: M--m h-m-m. What,
Page 10

FRUCHER

16 you know, again the relationship with -- Governor
17 Carey had a very difficult task in front of him
18 when he came into office, but he seemed to have a
19 very challenging relationship with CSEA in that
20 first -- in that first term.

21 MR. FRUCHER: Well, you always do
22 when you're giving out zeroes.

23 THE INTERVIEWER: Yeah. Yeah. Did
24 you see him work to try to improve it? I mean

13

1 other than the Morgado Memorandum, which --

2 MR. FRUCHER: Oh, yes.

3 THE INTERVIEWER: -- was
4 eventually --

5 MR. FRUCHER: Well, I was there
6 really for the second term. I was Director of
7 Employee Relations for the second term. We worked
8 very, very hard to try to improve those
9 relationships and I hope, in retrospect, that's how
10 that second term was perceived.

11 THE INTERVIEWER: M-m h-m-m. One of
12 the things that I think is interesting about the
13 first term of Governor Carey was that at that time
14 CSEA was not part of the AFL-CIO.

15 MR. FRUCHER: No, they weren't.

16 THE INTERVIEWER: And there, I
17 think, was always a little bit of suspicion that
18 Governor Carey was squeezing CSEA to see how far he
19 could get with them. I mean did you ever see any

FRUCHER

20 of that or any --

21 MR. FRUCHER: No. I think what you
22 saw -- I think there were two dynamics there.
23 Number one is, you know, just the opposite. I
24 think Governor Carey cared about the employees. He

14

1 just didn't have very much money to give out, so
2 that was, you know, when you are the direct
3 employer you are the person who says yea or nay,
4 and so in addition to the impact of a negotiation
5 on the State's direct budget, the State has a
6 responsibility of leadership.

7 And so when you're trying to get
8 local governments to be responsive, fiscally
9 responsive, you're not in a position to give out a
10 whole lot of largesse. I mean you're being watched
11 very, very carefully because people all the way
12 down the line are gonna look at your contracts and
13 try to use 'em as benchmarks. So, you know, it's
14 not an easy task.

15 Second, the issue of AFL-CIO
16 affiliation or membership had nothing to do with
17 how CSEA was viewed in Albany. However, CSEA was
18 viewed in Albany as an Upstate union and Upstate in
19 those days tended to be even more Republican than
20 they are today, and so the demographic of the State
21 work force really reflected more of the geography
22 than the philosophy of the labor movement.

23 THE INTERVIEWER: Sure. So then
24 tell us a little bit about when you went over to

1 GOER, how your relations with CSEA changed. I mean
2 earlier you talked about having some non-starters
3 when you'd come to talk to them about ideas. When
4 you were actually at GOER and formally doing
5 negotiations did that dynamic change?

6 MR. FRUCHER: I hope so. I think
7 so. When I went over to be the Director of
8 Employee Relations, first of all, it was -- there
9 was no one more shocked at being asked to be the
10 Director of Employee Relations than I was. It
11 started with a conversation I had. I was summoned
12 to Bob Morgado's office and I was asked if I wanted
13 to be the Director of Employee Relations. I was
14 thirty years old. I didn't know, you know, one
15 side of a bargaining table from the other.

16 I had never been in a collective
17 bargaining session in my life. I'd been in some
18 different kinds of negotiations but never in a
19 formal collective bargaining session, and what did
20 I know? I mean I had no idea of the formality of
21 the process.

22 Morgado said, you know, you know the
23 issues. You understand both sides of the issues.
24 You know, we've noted that you tend to be somewhat

1 creative from the stuff you were talking about at

FRUCHER

2 the Commission. They seem to like you even though
3 they've rejected most of your ideas, and we have a
4 problem.

5 what's the problem? well, the
6 previous Director of Employee Relations, who was
7 about to begin a full set of negotiations with all
8 of the unions, all the contracts were up,
9 tragically was sitting in front of his television
10 and a blood vessel popped in his eye and he lost
11 his sight in the eye and he had to resign, and so
12 the State literally was days away from opening up a
13 full range of collective bargaining and, you know,
14 they sort of looked around and they said, you know,
15 who can go to the table.

16 THE INTERVIEWER: M-m-m.

17 MR. FRUCHER: And there I was, so
18 Morgado said to me: will you take it? I said: I
19 don't know, Bob. It's kind of crazy, and he said:
20 I think you'd do well at it. I think, you know,
21 it'd be good for you, good for the State, and even
22 good for the union. So he said: would you go tell
23 the deputy who's the acting director that you're
24 gonna be replacing him?

□

17

1 (Laughter.)

2 MR. FRUCHER: I said: Are you
3 kidding? He said: No. So I trundled over and sat
4 down with the gentleman and I gave him the news
5 and, to his credit, he looked at me and he said:
6 Can I keep the car? and I said yes. So I called

Page 14

FRUCHER

7 Bob and I said -- he said how did it go and I said,
8 you know, he was very disappointed, you know, that
9 was his dream, but I said he recovered quickly and
10 he asked for the car and I said he could keep the
11 car, and Morgado said: You said what?

12 I said he could keep the car. He
13 said: Oh, my God. I hope that doesn't portend ill
14 for the future.

15 (Laughter.)

16 MR. FRUCHER: He said you can't give
17 away cars. In fact you can't give away anything,
18 so that was my introduction. I remember going to
19 my first session and I sat there and I heard the
20 presentation of demands and my colleague, who had
21 the aspirations, was sitting next to me and he said
22 just watch the way I do this.

23 And as the union was presenting its
24 demands he was going, shaking his head, yes,

□

18

1 m-m h-m-m, m-m h-m-m, and I'm lookin' at him.
2 Finally I think it was Billy McGowan looked across
3 the table and he said are you agreeing with our
4 demands because you seem to be shaking your head
5 yes. And this fellow Jim said no, so the union
6 said well, then, why are you shaking your head yes?
7 He said, well, yes means I hear you.

8 So I said to myself, oh, my God.
9 There's a whole code here that I don't really know.
10 In fact, there was a whole lot of code that I

FRUCHER

11 didn't know and I tried to change both dynamic and
12 the structure of the negotiations.

13 We then moved negotiations from this
14 big room into a conference room and we tried to get
15 a ball rolling on the negotiations and CSEA,
16 because of both geographic diversity and just the
17 sheer size had very, very large -- very,very large
18 bargaining committees.

19 THE INTERVIEWER: Right.

20 MR. FRUCHER: And I noted that the
21 folks, you know, would come in, the mornings would
22 be productive. Then people would go out to lunch
23 and then they'd come back after lunch and it wasn't
24 quite as productive as it had been in the morning,

19

1 so I came up with a strategy. I went over to Billy
2 McGowan and Jim Roemer and Jimmy Featherstonhaugh
3 and I said: Look, we have to keep the folks in to
4 get stuff goin' here, and they said well, what do
5 you suggest?

6 I said your folks get a lunch
7 allowance. They can keep their lunch allowance;
8 I'll buy lunch and we'll cater lunch, and they
9 said, oh, okay. So -- well, actually they went
10 back to the Committee and the Committee said okay,
11 so we started catering the lunches. There was a
12 big, heavy fellow on my staff who appeared to, at
13 least on the surface, appeared to understand food
14 and so I charged him with catering the lunches, and
15 after two days a couple of the guys from the

FRUCHER

16 Department of Transportation came over to me and
17 they said, you know, Sand, we's really love the
18 idea about these lunches, but you gotta get rid of
19 this tabbouleh crap. We's meat-and-potatoes guys.

20 (Laughter.)

21 MR. FRUCHER: So we shifted away
22 from tabbouleh and went to meat and potatoes.

23 THE INTERVIEWER: To this day it's
24 always an issue over the salad, too --

20

1 MR. FRUCHER: That's right.

2 THE INTERVIEWER: -- but it still
3 kind of applies.

4 So talk a little bit about the
5 dynamic of dealing with this large group, too,
6 though, because I know when Jim Roemer sat in with
7 us he'd talk about having like this 75-member
8 negotiating team --

9 MR. FRUCHER: Oh, gosh, yes.

10 THE INTERVIEWER: -- and his biggest
11 job was trying to find consensus in the caucus.

12 MR. FRUCHER: That always is the
13 biggest problem and the union leadership who are
14 sitting at the table really have to represent the
15 aspirations of all of the members. Of course, the
16 members are sitting right behind their back so, you
17 know, a lot of it is theater and, you know, we'd go
18 back and forth and what you do in any negotiation
19 is you have a lot of off lines. You know,

FRUCHER

20 sometimes the off lines are structured. You know,
21 you can do it before the meetings, you can do it
22 after the meetings or you can do it somewhere, but
23 sometimes they occur in the crucible of the moment.
24 In those moments you use code, like

21

1 you stretch out and you say, I think I need a break
2 to go to the bathroom, and then everybody runs out
3 and whoever is trying to make the deal will meet in
4 the bathroom or something. So you'd have a lot of
5 those moments, but at the end of the day we'd go
6 back and forth with counterproposals and when each
7 side would move or present a proposal or counter-
8 proposal, then generally you would talk it through
9 and explain it and then you would caucus.

10 Frequently we'd go upstairs to our
11 office because we have a meeting room on the floor
12 below our office, a big conference room, that would
13 fit all of those people. But one of the things
14 that happened, that was pre the anti-smoking laws
15 days, and for anyone who knew Bill McGowan, they
16 knew that some people in their lives needed to hold
17 their Linus blanket or their teddy bear.

18 Bill needed to have his cigar in his
19 mouth, and so to this day, you know, when I need
20 to -- a pickup for whatever reason, I would think
21 of Billy McGowan sittin' there with this humongous
22 cigar in his mouth and he'd listen to you and he'd
23 pull the cigar out and he'd lean across the table
24 and he'd say -- he'd take the cigar out, (sound of

1 exhaling smoke), blow the smoke across the table,
2 and he'd say, you stalkin' my people.

3 (Laughter.)

4 THE INTERVIEWER: My peeps.

5 MR. FRUCHER: Then he'd put the
6 cigar back in his mouth. So after suffering
7 through months and months of this we came up with a
8 strategy where we got the biggest cigars we could
9 get and all of the people on the front row of our
10 table had their cigars ready and after a
11 particularly contentious back and forth --

12 THE INTERVIEWER: M-m h-m-m.

13 MR. FRUCHER: -- I leaned across the
14 table and I said: I am not gonna take any more of
15 this, you know. You have, you know, done this and
16 you've done that and you've insulted us and you've
17 questioned our integrity and our honesty and our
18 sincerity and we're simply not gonna take this any
19 more. At which point everybody pulled out their
20 cigars, we lit 'em, inhaled (laughter) and blew it
21 across the table and there was a moment of dead
22 silence and you didn't know which way it was gonna
23 go, and then everybody broke out into laughter and
24 the moment was saved and we were able to then

1 proceed, so there were some great moments.

FRUCHER

2 THE INTERVIEWER: One of the things
3 that seems to be a hallmark of that era in the
4 State/CSEA relations is the idea of a labor/
5 management committee.

6 MR. FRUCHER: Absolutely.

7 THE INTERVIEWER: Is that how you
8 were able to bring forward a lot of your ideas?

9 MR. FRUCHER: Well, that's what I
10 presented. I presented -- you know, one of the
11 things that I had been looking at and studying was
12 the whole question of labor/management committees,
13 and to be very honest, as Director of Employee
14 Relations, a new Director of Employee Relations,
15 who was able to think out of the box because I
16 didn't know what the box was. I mean one of the
17 advantages and disadvantages of having limited
18 experience was I didn't have to play by the rules.
19 I didn't know the rules, so I could make the rules.

20 Now, the structure of collective
21 bargaining in any organization, but particularly in
22 New York State, was that the Director of Employee
23 Relations structurally was, for lack of a better
24 term, a eunuch. You had no independent authority

□

24

1 except on -- during marginal detail, and like in
2 the kremlin, if you ever left, you know, the
3 Politbureau, there's be a person in a rayon suit
4 with a very narrow tie sitting either next to you
5 or certainly within eyesight and if you ever
6 deviated from the script, you know, would be

FRUCHER

7 prepared to take out his gun and shoot you.

8 So, you know, it was clear to me
9 that, you know, yeah, you know, you had very clear
10 budget constraints, particularly in this era when
11 there was a downward trend on revenues as opposed
12 to an increased trend on revenues.

13 And the other thing I noticed was
14 that in between negotiations GOER was an orphan,
15 that your entire life was limited to a series of
16 contentious issues and disciplinary arbitrations
17 and your ability to effect anything or to do
18 anything was quite narrow. By personality I have a
19 lot of trouble with boredom so I didn't really want
20 to live that way and coming from where I came from,
21 which was the State Commission on Management and
22 Productivity, and my own background I wanted to
23 make government work and I knew that the vehicle to
24 do that was to work with the employees.

□

25

1 So I understood that when you
2 negotiated a contract, the contract had to go up or
3 down on both sides. There wasn't line item deals.
4 So in order to make myself relevant in my office,
5 and in order to make the union's ability to effect
6 various things relevant, between contracts we
7 created the Quality of Work Life Committee. We
8 worked on it very hard to make sure it was
9 substantive and by the time I left each of those
10 committees had about \$10 million in it to do a

FRUCHER

11 variety of things, so that if you felt that in an
12 institution there were particular tensions over
13 whatever the issue was, there'd be some resource
14 without having -- the Director of Employee
15 Relations wouldn't have to go on his or her knees,
16 you know, to the Budget Director, who would be
17 instinctively primed to say no, but you'd have a
18 fund in which you could effect change with in joint
19 labor/management agreement.

20 So that, you know, when we found
21 that there was an institution or prison in which
22 there was a lot of tension and the tension could be
23 alleviated by just simply providing a space for
24 employees to go and decompress, we were able to set

□

26

1 up such a space.

2 I was a firm believer in day care.
3 The State of New York in three contracts before me
4 had put day care as an objective, as a goal, but
5 not as a specific commitment. I went to the CSEA
6 and I said, look, I really want to do something
7 about day care and they said, good, it's about
8 time. I said -- and they said, well, how do you
9 want to go about it?

10 I said I want to go about it by
11 taking it out of the contract and they said, what,
12 are you crazy? And I said, no. I said I don't
13 believe the kids should be designated by bargaining
14 units, so I want it out of the contract.

15 Now with these quick committees that
Page 22

FRUCHER

16 we're setting up, we will create a program by which
17 we can set up on-site day care. When I left there
18 were 32 on-site day care centers across New York
19 State. It was the largest -- there were more
20 on-site day care in New York State than in any
21 other company in America. We had 32 of them and
22 that's because we were able to work side by side,
23 we were able to fund groups of employees who wanted
24 to put together day care co-operatives in the

27

1 institutions. The State provided the space, the
2 State provided the insurance coverage and the
3 State, at the end of the day, was willing to
4 provide the start-up money for the groups and then
5 the employees would cover the ongoing expenses, but
6 it was able to be done at a very, very low minimum
7 rate.

8 So we were able to think out of the
9 box. We were able to do things that had never been
10 done before, sometimes by taking things out of the
11 contract as opposed to putting things into the
12 contract.

13 THE INTERVIEWER: And you found CSEA
14 receptive to work with you on this approach.

15 MR. FRUCHER: Absolutely. You know,
16 I found CSEA always willing to work with you on
17 something that had merit. Now on the other hand,
18 sometimes you could be too successful, and one of
19 my most successful tragedies was convincing the

FRUCHER

20 union and the bargaining unit to accept performance
21 evaluation. Performance evaluation, the motivator
22 and the driver, obviously, from management's point
23 of view was to introduce something into the Civil
24 Service structure that related to performance.

28

1 Now, I said then and I'll say now,
2 one of the limitations of public employment,
3 particularly in a work force that is 95 percent
4 unionized and 2 1/2 percent of the remaining
5 5 percent are managerial and confidential and
6 professional, and therefore you have a very, very,
7 very limited narrow managerial strain and the
8 private sector in the most labor-intensive
9 industries, no more than 50 percent of your work
10 force are organized. In the public sector it's
11 95 percent.

12 That means that effectively you have
13 very limited or no management. Now that may sound
14 like heaven to some people but, in fact, at the end
15 of the day for workers it's hell because it's very
16 -- you know, frequently it's very difficult to get,
17 you know, appropriate direction.

18 well, that was the year that
19 President Carter tried to eliminate inflation by
20 eliminating collective bargaining agreements and
21 capping them and we said, well, we can go above
22 that cap but it had to be performance based, so we
23 threw an extra one percent in for the contract but
24 that one percent had to be allocated based on

1 performance and thus was born the bell-shaped curve
2 or at least the recognition of what the bell-shaped
3 curve was, as opposed to every other agreement
4 where the pool would be allocated evenly amongst
5 employees.

6 This was the first attempt to
7 differentiate employees by performance and
8 everybody could not be awarded the money and
9 everybody who got it had to be at the tail of that
10 bell-shaped curve. Well, when we got the first
11 round evaluations everybody was excellent. It was
12 an amazing thing. We had so many excellent
13 employees, so we sent it back and said, well,
14 amongst the excellent employees there has to be a
15 bell-shaped curve.

16 well, hell broke loose and one got a
17 very clear understanding of why the union mantra is
18 all for one and one for all and that within the
19 union context understandably, by definition, the
20 union meant that to start to distinguish was a
21 concept that was antithetical to the fundamental
22 principal of what the union was. Not that the
23 union is opposed to excellence or opposed to
24 various forms of differentiation, but as a union

1 it's a very, very difficult thing to accede to

FRUCHER

2 because if 10 percent of your employees are truly
3 excellent, it's gonna be very hard to explain to
4 the other 90 percent why they aren't excellent too
5 because they believe they are.

6 And so by the time we were through
7 with the implementation of our performance
8 evaluation program I had the union begging to give
9 back the money and just call the whole thing to a
10 halt, so I learned a whole lot of lessons in that
11 and I think so did the union; that sometimes
12 something that looks right and may even be right in
13 certain environments is impossible to impose in a
14 -- in this kind of environment.

15 I think the collective bargaining in
16 New York State was flawed by a mentality that felt
17 that any kind of political decision-making was
18 fundamentally corrupt and that the only thing that
19 could protect employees was not just collective
20 bargaining but collective bargaining imposed on top
21 of the Civil Service System, and that makes it
22 very, very difficult to have a traditional kind of
23 effective or efficient managerial structure. You
24 have no managers and it's very, very difficult.

□

31

1 It's very, very difficult.

2 THE INTERVIEWER: I know your time
3 is limited, so let me ask one final question and
4 that is: why do you think CSEA has been able to
5 survive for a hundred years?

6 MR. FRUCHER: Well, I mean I think

FRUCHER

7 CSEA has survived for a hundred years. From time
8 to time it's lost certain, you know, units like,
9 you know, the managerial unit, the supervisory
10 unit. I think basically because the union works
11 very, very hard to represent its employees well.
12 The people who I met who work for the union were
13 first-rate people. People who transcended the
14 doctrinaire. In other words, they had a job to do
15 to represent employees but they're always willing
16 to look at the end product. They were always
17 willing to understand that government is about
18 public service, and so they were -- they lived in
19 both worlds and they did a good job of representing
20 both worlds, and I think that as long as the union
21 remembers it's a union and remembers that it's
22 employees represent the public as well, that this
23 is about government and government is about service
24 to the people, that it can do well and CSEA has

□

32

1 done well for that reason.

2 It's represented its workers well
3 and it's represented the public interest well.

4 THE INTERVIEWER: Sandy, thank you
5 very much. We really appreciate you taking the
6 time.

7 MR. FRUCHER: I hope I --

8 (The interview of Meyer (Sandy)
9 Frucher was concluded.)

10

FRUCHER

11
12
13
14
15
16
17
18
19
20
21
22
23
24

□