



Johnson Proposes Historically Large Pay Raises for Police

Description

A proposed extension of Chicago's collective bargaining agreement with the Fraternal Order of Police Lodge 7 would cost the city hundreds of millions of dollars over a three-and-a-half-year period and would include the largest set of city employee raises in Chicago's recent history.

The potential deal, announced by Mayor Brandon Johnson's administration in late October, would update and extend the city's contract with its rank-and-file police officers. Sergeants, lieutenants and captains have their own respective units, which often bargain simultaneously for the same or similar terms when their contracts are up for renewal. The FOP is the largest union of City of Chicago employees, with roughly 11,000 represented positions included in the 2024 budget approved by City Council, more than twice the size of the next-largest union, representing the city's fire fighters.

Chicago's current FOP contract dates to 2014, when Mayor Rahm Emanuel reached an agreement with the bargaining unit that covered retroactively from July 1, 2012 through June 30, 2017. Mayor Lori Lightfoot in 2021 extended the contract through 2025, again including benefits retroactive to the expiration of the original agreement and adding several sweeteners that increased the cost-per-position of FOP-represented employees.

While formal language has yet to be introduced for City Council approval, the Johnson administration has publicly proposed an extension through 2027. As described in the announcement, the contract and series of scheduled salary hikes would increase the police budget by hundreds of millions of dollars over the length of the agreement.

Scheduled Salary Increases

Johnson's proposal includes a 5% salary bump for FOP-represented police in 2024 and 2025, up from the 2.5% and 2% raises for those years that were agreed upon in the Lightfoot administration's extension. A larger raise for 2024 was not included in the roughly \$2 billion appropriation for the police department passed by City Council earlier this month, meaning approval of a contract with Johnson's proposed terms would exceed the police department's budgeted appropriations for positions and salaries by approximately \$27.7 million for 2024.

Raises in 2026 and 2027 would be tied to inflation but limited to between 3% and 5%, for a total increase between 16% and 20% over the three and a half years of contract extension. (Police contracts begin and end midyear, meaning the agreement would only cover the first half of 2027, with any raises or benefits changes from July onward left to a future agreement.)

At the city's current level of FOP employment — just over 11,000 officers budgeted, as of the 2024 budget proposal approved by City Council earlier this month — those raises would add up over the course of the contract's three and a half years to an additional \$188-207 million. The city's budget for FOP salaries could rise to as high as \$1.35 billion by 2027 under the proposed agreement, up from \$1.11 billion in the current 2024 budget.

Police contracts have historically caused budget spikes following ratification, largely due to the need to pay for retroactive benefits, but the Johnson proposal as currently described would see a substantially steeper and more sustained increase than the Emanuel or Lightfoot contracts provided. The chart below projects overall salary and per-position salary cost increases under the Johnson proposal based on the 2024 budgeted FOP positions and salaries, assuming a median 4% inflation for the variable years, no change in headcount, and no additional salary increases in the second half of 2027:

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Averaging between roughly 4.57% and 5.71% annually, depending on inflation, the proposed raises would be substantially larger than any the city has agreed to with any of its bargaining units, including police unions, since at least the 1990s. A 1999 FOP contract included a 16% salary increase over four years, or 4% annually; agreements with other city bargaining units have historically included smaller raises, averaging out to about 2.5% annually.

Recent city agreements have included inflation-chained flexibility, as in Johnson's proposed FOP contract, using the CPI-U index of urban area prices as the baseline for inflation and setting a 3% floor and 5% ceiling. Similar provisions were included in a Lightfoot-era agreement with AFSCME and an earlier Johnson administration contract with the Coalition of Unionized Public Employees (an umbrella group of trade and other smaller unions that negotiate jointly with the city), but without the guaranteed 5% increases for the first two years of the contract, making the overall average annual increase smaller than Johnson's FOP offer.

Retention Bonus

In addition to the scheduled salary increases, Johnson's deal includes a one-time \$2,500 per officer retention bonus, paid to the entire FOP-represented workforce. The 2024 budget includes 11,013 FOP-represented positions, which would create a total retention bonus cost of roughly \$27.5 million if all budgeted positions are filled. Combined with the increased raises for 2024, that would exceed the department's published budget for 2024 by approximately \$55.2 million.

The one-time payment is intended to replace a \$2,000 annual bonus for officers with more than 20 years of service, an FOP proposal that the city initially rejected but that was [added to the contract by arbitration](#) when the city and FOP failed to come to an agreement.

As of the Sept. 1, 2023, start date established by the arbitrator, the city had at least 2,617 FOP-represented officers with 20 years of service or more, according to data from the [Office of Inspector General's public safety dashboards](#), which would work out to a 2023 cost of roughly \$5.2 million under the arbitrated retention bonus rules.

As many as 1,366 additional currently-serving officers could become eligible by Sept. 1, 2026, the last eligibility date covered by the Johnson proposal, potentially increasing the annual cost of retention bonuses to nearly \$8 million (assuming all currently-serving officers remained on the force through their eligibility date).

Depending on retirements, the current arbitrated agreement would most likely become more expensive for the city than the Johnson administration's proposed one-time payment by 2027 or 2028. Realizing cost savings from a one-time payment therefore relies on the administration's ability to successfully prevent annual retention bonuses or further one-time payments from re-entering the FOP contract through negotiations or arbitrations until at least 2028.

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Approval of any of the Johnson administration's proposals rests with City Council, which is expected to consider a proposed contract in its workforce development committee once the administration submits final language. The committee is currently scheduled to next meet on Thurs., Dec. 7.

At least some of the committee's deliberations will likely focus on a recent arbitration decision allowing officers facing serious discipline (termination or suspension of more than one year) to opt for private arbitration, rather than a public hearing before the Police Board as currently called for in city ordinance. In a public statement, Johnson said he would urge the council to reject that language. Johnson's press secretary and then-floor leader Carlos Ramirez-Rosa suggested in October that the administration would attempt to introduce two separate packages for a vote, one on the arbitration issue and one on the fiscal and benefits language of the contract.

Based on the publicly announced terms, City Council's decision on the salary and benefits offer will be a potentially costly one — hundreds of millions of dollars more than the current contract — and a potentially historic one, with an unprecedented pay hike of 4.57-5.71% for the city's rank-and-file police officers on the table.

Correction: The original version of this article stated that approval of the contract would put the City of Chicago over budget. In fact, the raise had the effect of exceeding the Chicago Police Department's budgeted position and salary appropriations. BGA Policy regrets the error.