



Evergreen Clauses: The Gift that Keeps on Giving

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Back on January 1, 2011, the Monarch Fire Protection District (MFPD) and the International Association of Fire Fighters (IAFF) Local 2665 entered into a 3-year collective bargaining agreement. Five and a half years later the original contract lives on, and a recent court ruling indicates that for those seeking reform, the devil is in the details.

The conflict between the district and the union lies in a short paragraph of the agreement that reads:

“The Agreement shall remain in effect during good faith negotiations and shall continue to remain in full force and effect until such time as a new Agreement is agreed upon”

In other words, until both parties agree on new provisions, the original contract stands. The Circuit Court of Saint Louis County recently rejected the MFPD’s appeal against the contract’s perpetuity by saying that as long as both parties engage in ‘good faith negotiations’ then the agreement has a termination date and is legally sound. Of course, if the parties can’t come to terms on something new, then that termination date will always be right around the corner.

Perpetual contracts such as this (nicknamed “evergreen clauses”) can create a situation where elected officials are powerless to change salaries and benefits captured in a union contract unless the union agrees to the change. Where we would be today if U.S. legislation had been frozen centuries ago and couldn’t change regardless of who we elected into office?

About the Author



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Michael was a policy researcher at the Show-Me Institute. A native of Saint Louis, he earned a Bachelor of Science degree in business administration with emphasis in economics at Saint Louis University. Michael researched budget and tax policy with the Show-Me Institute.

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