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***STATE LEGISLATIVE TESTIMONY***

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**What Do Workers Want? Union  
Spending Does Not Reflect Their  
Members' Priorities**

**Testimony before  
State Government Committee  
Pennsylvania House of Representatives**

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Chairman Metcalfe and Members of the State Government Committee, thank you for inviting me to testify this afternoon. My name is James Sherk. I am a Senior Policy Analyst in Labor Economics at The Heritage Foundation. The views I express in this testimony are my own, and should not be construed as representing any official position of The Heritage Foundation.

Government unions spend their members' mandatory dues heavily on political causes that the union leadership supports. They do so without asking their members' permission and irrespective of the preferences of their membership. Taxpayers subsidize government union political fundraising through the publicly funded payroll system. The government automatically takes union dues out of government employees' paychecks. This system privileges union bosses and their priorities at the expense of union members and taxpayers with different views.

This spending does not reflect workers' actual desires. When unions must ask workers' permission before spending their dues on political causes union political spending drops dramatically. My research shows that union political spending falls by roughly half after states adopt paycheck protection laws. Union bosses spend dues to prop up their own power instead of serving their membership.

Paycheck protection laws empower workers to decide how they want to spend their money instead of having union officers to decide for them. Ending the taxpayer-funded collection of union dues would take an important step toward empowering workers and eliminating taxpayer subsidies to special interest groups.

However, further steps would be necessary to prevent union leaders from ignoring their members' views. Since Pennsylvania lacks a right-to-work law government employees must pay union dues or lose their jobs. Ending the payroll deduction will simply force government employees to pay dues through other mechanisms. To empower workers to make their own choices the state would need to require unions to maintain separate accounts for representational and non-representational activities. When soliciting dues payments unions should have to give workers the option of paying an agency fee for only representational activities or paying full dues including political expenses. This would empower workers to stop funding unwanted political activism without jumping through bureaucratic hurdles.

### **Unions Spend Heavily on Politics**

Labor unions are some of the largest political spenders in the United States. The AFL-CIO National Headquarters spent one sixth of its \$166 million budget on politics and lobbying in the 2010 midterm election year.<sup>1</sup> That year the American Federation of State, County, and Municipal Employees (AFSCME) National Headquarters spent even more –

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<sup>1</sup> U.S. Department of Labor, Office of Labor-Management Standards (OLMS), "Form LM-2 Labor Organization Annual Report," filed by the American Federation of Labor-Congress of Industrial Organizations, 2010, File No. 000-106, <http://www.unionreports.gov>

a third of its \$200 million budget – on those activities.<sup>2</sup> In the last midterm election unions operated 10 of the 20 largest Political Action Committees (PACs).<sup>3</sup> They also made up three of the largest five outside spending groups (excluding the two major parties).<sup>4</sup> Nation-wide unions report spending over \$600 million a year on politics and lobbying, and spent approximately \$1.3 billion in the 2009-2010 election cycle.<sup>5</sup>

These figures understate the extent of union political involvement. The local chapters of most government unions do not have to file financial disclosure reports. These totals thus exclude their spending.

Further, unions frequently give to politically-oriented nonprofits and classify these donations as charitable expenses. For example the Service Employees International Union (SEIU) gave \$25,000 to the Planned Parenthood Action Fund in 2013 and classified it as “contributions, gifts, and grants” instead of “politics and lobbying” on its federal disclosure forms.<sup>6</sup>

As another example, several unions gave \$225,000 to the Leadership Conference on Civil and Human Rights in 2013.<sup>7</sup> While its name sounds blandly nonpolitical, the Leadership Conference actually advocates for left-wing political positions. The Leadership Conference’s website explains that “The Leadership Conference is a 501(c)(4) organization that engages in legislative advocacy ... The [501(c)(3)] Education Fund’s campaigns empower and mobilize advocates around the country to push for progressive change in the United States.”<sup>8</sup> Unions only reported 6 percent of these donations as political activities; they classified the rest as charitable gifts.<sup>9</sup> In this way unions fund liberal organizations without formally recording them as political expenses.

All told unions are some of the largest political spenders in the American political scene. As Larry Scanlon, head of AFSCME’s political operation said: “We’re the big dog, but we don’t like to brag.”<sup>10</sup>

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<sup>2</sup> U.S. Department of Labor, Office of Labor-Management Standards (OLMS), “Form LM-2 Labor Organization Annual Report,” filed by the American Federation State, County, and Municipal Employees, 2010, File No. 000-289, <http://www.unionreports.gov>

<sup>3</sup> Center for Responsive Politics, OpenSecrets.org, “Top PACs: 2010,” at <http://www.opensecrets.org/pacs/toppacs.php?cycle=2010&party=A>

<sup>4</sup> Brody Mullins and John McKinnon, “Campaign’s Big Spender,” *The Wall Street Journal*, October 22, 2010, at <http://online.wsj.com/news/articles/SB10001424052702303339504575566481761790288>

<sup>5</sup> Tom McGinty and Brody Mullins, “Political Spending by Unions Far Exceeds Direct Donations,” *The Wall Street Journal*, July 10th, 2012 at <http://online.wsj.com/news/articles/SB10001424052702304782404577488584031850026>

<sup>6</sup> U.S. Department of Labor, Office of Labor-Management Standards (OLMS), “Form LM-2 Labor Organization Annual Report,” filed by the Service Employees International Union, 2013, File No. 000-137, <http://www.unionreports.gov>

<sup>7</sup> Department of Labor, Office of Labor-Management Standards (OLMS), “Payer/Payee Search: Leadership Conference,” at <http://kcerds.dol-esa.gov/query/getPayerPayeeQry.do>

<sup>8</sup> The Leadership Conference on Civil and Human Rights, “About Us,” <http://www.civilrights.org/about/>

<sup>9</sup> Department of Labor, Office of Labor-Management Standards (OLMS), “Payer/Payee Search: Leadership Conference,” at <http://kcerds.dol-esa.gov/query/getPayerPayeeQry.do>

<sup>10</sup> Brody Mullins and John McKinnon, “Campaign’s Big Spender,” *The Wall Street Journal*, October 22, 2010, at <http://online.wsj.com/news/articles/SB10001424052702303339504575566481761790288>

### **Union Leaders Pursue an Ideological Agenda**

These political activities get directed by left-wing activists. Committed liberals run virtually every major union in America today. Union leaders speak openly of their desire to move America to the left.

For example, Richard Trumka, President of the AFL-CIO—an umbrella organization of 57 major unions— has openly stated that “I got into the labor movement not because I wanted to negotiate wages. I got into the labor movement because I saw it as a vehicle to do massive social change to include the lots of people. That’s why I got into the labor movement.”<sup>11</sup> What social change does Trumka want? He has said he wants to “fundamentally restructure our economy and re-establish popular control over the private corporations which have distorted our economy and hijacked our government.”<sup>12</sup>

The political views of union leaders show up in their organizations political spending. The overwhelming majority of union campaign spending goes to elect candidates on the political left. In the last midterm election cycle union political action committees gave 93 percent of their federal contributions to Democratic candidates and only 7 percent to Republicans.<sup>13</sup> At the state level unions also gave 93 percent of their donations to Democrats.<sup>14</sup> Union bosses use their members’ dues to advance their left-wing political views.

### **Does Not Reflect Union Members’ Views**

The left-wing activism of union leaders does not reflect the beliefs or priorities of many of their members. Large numbers of union members hold moderate or conservative political beliefs. While unions spend over 90 percent of their political expenditures in favor of Democrats, exit polls typically find Republican candidates win around 40 percent of the vote in union households. For example Gov. Mitt Romney took 40 percent of the union vote in the 2012 elections.<sup>15</sup>

Polling also shows that large majorities of union members oppose having their dues spent on electing Democratic politicians. Fully 60 percent of union members consider such

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<sup>11</sup>Mary McHugh, “Union Head Richard Trumka Sees AFL-CIO As Socialist Vehicle,” The New American, Jan.10<sup>th</sup>, 2011 at <http://www.thenewamerican.com/usnews/politics/item/3651-union-head-richard-trumka-sees-afl-cio-as-socialist-vehicle>

<sup>12</sup> Mike Hall, “Trumka: Working Class Anger Fueled by Right’s ‘Deeply Dishonest’ Message,” AFL-CIO Now Blog, September 27<sup>th</sup>, 2010 at <https://web.archive.org/web/20100930230437/http://blog.aflcio.org/2010/09/27/trumka-working-class-anger-fueled-by-rights-deeply-dishonest-message/>

<sup>13</sup> Union PACs gave \$60,532,413 to Democratic candidates at the federal level and \$4,223,872 to Republican candidates. Source: The Center for Responsive Politics, OpenSecrets.org, “Labor Sector: PAC Contributions to Federal Candidates,” at <http://www.opensecrets.org/pacs/sector.php?cycle=2010&txt=P01>

<sup>14</sup> Unions gave \$187.3 million to Democratic candidates at the state level and \$13.2 million to Republican candidates. Source: The National Institute on Money in State Politics, “Industry Influence: General Trade Unions, Public Sector Unions, Transportation Unions - Contributions to all Candidates and Committees,” at [http://www.followthemoney.org/database/IndustryTotals.phtml?f=0&s=0&i\[\]=99&i\[\]=100&i\[\]=101](http://www.followthemoney.org/database/IndustryTotals.phtml?f=0&s=0&i[]=99&i[]=100&i[]=101)

<sup>15</sup> CNN, 2012 President: Full Results – Exit Polls, at <http://www.cnn.com/election/2012/results/race/president>

spending “wasteful and unnecessary” while only 26 percent consider it a “good and proper” use of their dues.<sup>16</sup> Perhaps unsurprisingly polls also show that, by a three to one margin, union members believe their union officers primarily look out for themselves.<sup>17</sup>

### **Laws Empowers Unions Leaders at the Expense of Union Members**

Union leaders can ignore their members’ concerns like this because federal and state laws give their members few ways to hold them accountable. Unions do not have to run for re-election. They remain certified unless workers file for a decertification election—a very difficult process. As a result less than a tenth of union members in the private sector and an even smaller proportion in the government ever voted for the union that represents them. The overwhelming majority of union members accepted union representation as a condition of employment.<sup>18</sup> Consequently unions need do little to earn or maintain their members’ support to maintain their position.

Moreover, in the 26 states like Pennsylvania without Right-to-Work laws, unionized government employees must pay union dues or lose their jobs. Whether or not they support their union’s priorities they must fund them or get fired. The Supreme Court ruled in *Communications Workers of America v. Beck* (1988) that private sector unions cannot compel non-union members to support their political activities. Instead they may only charge them an “agency fee” that covers the cost of the union’s representational activities. The Court issued a similar ruling for government employees in *Abood v. Detroit Board of Education* (1977). While this should theoretically enable workers to hold unions accountable, unions make exercising *Beck* and *Abood* rights difficult.

Workers pay for union political spending by default. Unions do not have to ask their members for permission to spend their money on politics. Unless they affirmatively opt-out their dues will fund the union leadership’s political activities. Not surprisingly unions rarely inform workers of their *Beck* or *Abood* rights when soliciting mandatory dues payments. And once workers begin paying full dues unions make it difficult to opt-out. Most unions require workers who want to opt out to do so within a narrow window of time each year. If workers do not opt out during this period they must pay full dues until the opt-out window opens again the next year.

For example the fine print in the dues authorization for the SEIU’s United Long-Term Care Workers’ Union in California reads:

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<sup>16</sup> “Benchmark Study of Union Employee Election Year Attitudes,” The Word Doctors, October 2010, Question 40, <http://www.theworddoctors.com/docs/Benchmark%20Study%20of%20Union%20Employee%20Election%20Year%20Attitudes.pdf> (accessed August 15, 2012). Representative sample of 760 union members; margin of error + or – 3.7 percent. The Word Doctors is Frank Luntz’s polling and focus group firm.

<sup>17</sup> *Ibid*, Question 31.

<sup>18</sup> James Sherk “Unelected Unions: Why Workers Should Be Allowed to Choose Their Representatives,” Heritage Foundation Backgrounder #2721, August 27th, 2012 at <http://www.heritage.org/research/reports/2012/08/unelected-unions-why-workers-should-be-allowed-to-choose-their-representatives>

“This authorization [to collect dues] is irrevocable, irrespective of my membership status, for a period of one year from the date of execution, or until the termination date of the applicable collective bargaining agreement, whichever occurs sooner. This authorization shall be automatically renewed ... unless I revoke it by providing written notice signed by me and sent through registered mail to the Employer and to the Union either during the ten day period prior to the end of any such applicable yearly period or during the ten day period prior to the termination date of any applicable collective bargaining agreement, whichever occurs sooner. In the absence of such notice of revocation, this authorization shall be irrevocably renewed for additional periods or until the end of the collective bargaining agreement, whichever occurs sooner and for successive periods thereafter in accordance with this authorization.”<sup>19</sup>

An SEIU member who wants to stop funding his or her union’s political activities has only 10 days each year in which to send in the forms necessary to opt out.

Many unions further require workers to opt out of paying full dues each year. Opting out only allows them to opt out for that year. The next year their union will again spend their money on political causes unless they again opt-out during the limited time window.

Even if they jump through all these hoops Unions still spend workers’ money on political causes. Government unions often classify their legislative lobbying and related political campaigns as “representational activities” and require workers exercising their *Aboud* rights to fund them.

For example the United Food and Commercial Workers (UFCW) union opposes allowing Pennsylvania grocery stores to sell liquor and wine. State law currently only allows a limited number of state-run stores to sell these products. This state monopoly means higher prices for all consumers and fewer jobs in grocery stores. Many UFCW members would benefit from allowing grocery stores to sell alcohol. Nonetheless the UFCW has spent over a million dollars on TV ads opposing such legislation, classifying it as lobbying expenses that non-union members’ dues must financially support.<sup>20</sup>

The current system enables union leaders to spend their members’ dues to prop up their own power while ignoring or suppressing the voice of individual union members.

### **Union Members Fund Positions They Abhor**

Consequently union members often financially support positions that violate their deepest philosophical and religious beliefs. For example, most Americans believe abortion is wrong.<sup>21</sup> Even many of those who believe the government should not prohibit it consider

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<sup>19</sup> Membership form for the Service Employees International Union’s United Long-Term Care Workers’ Union in California obtained by the Heritage Foundation. An electronic copy of this form can be sent by the author upon request.

<sup>20</sup> Sarah Leitner, "Unions versus Drinkers in Pennsylvania," National Review Online, May 20th, 2014 at <http://www.nationalreview.com/article/378327/unions-versus-drinkers-pennsylvania-sarah-leitner>

<sup>21</sup> 57 percent of Americans consider abortion morally wrong, while 36 percent disagree. CNN / Opinion Research Corp. poll of 1,010 adult conducted Jan. 3-5, 2014. Margin of error + or - 3 percentage points.

abortion immoral and would not donate to abortion providers. However in 2013 the leaders of the SEIU, AFSCME, UFCW and United Auto Workers gave their members' money to America's largest abortion provider. These unions donated tens of thousands to the Planned Parenthood Federation of America (in addition to donations to its political action fund).<sup>22</sup> These dues directly supported Planned Parenthood's operations—including over 325,000 abortions.<sup>23</sup> Union members who consider abortion the taking of innocent life nonetheless subsidized it.

Teachers in California who believe in limited government had their dues spent supporting Proposition 30, a 2012 ballot initiative that significantly raised taxes to prevent spending cuts. Union bosses at the California Teachers Association gave \$12 million of their members' dues to campaign committees supporting Proposition 30.<sup>24</sup> Without union support Proposition 30 may not have passed.

Liberal union members also find themselves funding politicians they oppose. Union leaders do make strategic calculations to support socially conservative politicians whose positions on other issues matter more to union bosses. For example unions have spent millions supporting Sen. Mark Pryor (D-AR) in his re-election bid.<sup>25</sup> Sen. Pryor opposes same-sex marriage but voted to eliminate secret ballots in union organizing elections—a key priority for union bosses.<sup>26</sup> Union members who strongly support same-sex marriage may want nothing to do with his campaign. They fund it anyways.

Similarly, government unions in Illinois spent heavily to support pro-life state Sen. Kirk Dillard and oppose socially liberal businessman Bruce Rauner in the 2014 Republican gubernatorial primary.<sup>27</sup> Rauner supports overhauling union pensions while Dillard opposed the change, so the union leadership backed Dillard.

Union members' money backs positions that violate their core beliefs. The law empowers union leadership to suppress the voice of their membership and pursue their own agenda.

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Question 14. Available online at

<http://i2.cdn.turner.com/cnn/2014/images/01/06/cnn.orc.poll.marijuana.pdf>

<sup>22</sup> Department of Labor, Office of Labor-Management Standards (OLMS), "Payer/Payee Search: Planned Parenthood," at <http://kcerds.dol-esa.gov/query/getPayerPayeeQry.do>

<sup>23</sup> Planned Parenthood Federation of America 2012-2013 Annual Report, "Abortion Services," page 15 at [http://www.plannedparenthood.org/files/7413/9620/1089/AR-FY13\\_111213\\_vF\\_rev3\\_ISSUU.pdf](http://www.plannedparenthood.org/files/7413/9620/1089/AR-FY13_111213_vF_rev3_ISSUU.pdf)

<sup>24</sup> Institute for Money in State Politics, California 2012, Ballot Measures, "Californians to Protect Schools, Universities, and Public Safety" and "Californians Working Together to Restore & Protect Public Schools, Universities, and Public Safety," available online at

<http://www.followthemoney.org/database/StateGlance/committee.phtml?c=11807> and

<http://www.followthemoney.org/database/StateGlance/committee.phtml?c=11806>

<sup>25</sup> Lachlan Markay, "Union-Backed Groups Spend Hundreds of THousands Attacking Cotton, Jolly" Feb. 13, 2014 at <http://freebeacon.com/politics/union-backed-groups-spend-hundreds-of-thousands-attacking-cotton-jolly/>

<sup>26</sup> U.S. Senate, Roll call vote No. 227, 110<sup>th</sup> Congress, 1<sup>st</sup> Session.

<sup>27</sup> Rick Pearson, "Dillard to get major teachers' union backing in Illinois Republican governor's race," The Chicago Tribune, Feb. 13, 2014 at [http://articles.chicagotribune.com/2014-02-13/news/chi-teachers-unions-join-antirauner-tv-ad-fight-20140213\\_1\\_chicago-teachers-union-bruce-rauner-union-backing](http://articles.chicagotribune.com/2014-02-13/news/chi-teachers-unions-join-antirauner-tv-ad-fight-20140213_1_chicago-teachers-union-bruce-rauner-union-backing)

### **Government Subsidizes Union Fundraising**

In government workplaces the taxpayers subsidize union officers' political activism. Unions negotiate contracts under which the government automatically deducts union dues from its employee's paychecks and deposits it in the union's bank account. The government collects both the agency fee portion of union dues and the portion unions spend on political campaigns.

The workers never see this money. Unions do not need to regularly ask unionized government employees for support. They need only ask them once—on pain of getting fired—when they begin working. From then on union bosses can spend it as they please.

This subsidy is incredibly valuable to unions. It saves them the expenses that most organizations incur during their fundraising (i.e. credit-card fees). These cost reductions directly advance the political agenda of union leaders, freeing resources for them to spend on political activities.

### **Taxpayer Subsidize Union Politics**

Even those who believe unions help workers and support their political beliefs should see the inequity of government subsidies for their activism. By analogy, Americans for Tax Reform (ATR) fights to lower the tax burden on all Americans. They circulate a "Taxpayer Protection Pledge" under which candidates for office agree to oppose any and all net tax increases. ATR also raises money to defeat politicians who support raising taxes. Whether one agrees or disagrees with ATR's views, they are legitimate political activities.

Nonetheless few Americans—on either the left or right—would consider it appropriate for the government to automatically deduct a portion of each taxpayer's annual tax refund and deposit it into Americans for Tax Reform's bank account. Fewer still would support requiring dissenting taxpayers to object within a narrow time frame each year or continue paying such dues. Even those who believe Americans benefit from lower taxes would agree the government should not subsidize ATR's fundraising.

Americans who oppose tax increases have every right to donate to ATR's anti-tax campaigns. The government, however, should not presume taxpayers' support them. Nor should it use taxpayer resources to facilitate ATR's fundraising.

Similarly, the government should not collect union dues or assume that unionized workers support their union bosses' political spending. Unions should have to ask their members' permission before spending their money on political campaigns. They should also use their own—not taxpayer—resources to do their fundraising.

### **Paycheck Protection Empowers Workers**

Several states have passed "paycheck protection" laws to address these problems.<sup>28</sup> Paycheck protection laws typically have one or both of two components. First, they require unions to get their members' express consent before spending their dues on

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<sup>28</sup> These states include Michigan, Wyoming, Idaho, Utah, Washington State, Wisconsin, and Alabama.

political activities. Second, they prohibit using the public payroll system to deduct either union dues or the portion of union dues spent on political activities from individual employee's paychecks. Paycheck protection requires unions to do their own fundraising and puts individual employees in control.

### **Union Members Overwhelmingly Support Paycheck Protection**

Union bosses vociferously oppose paycheck protection. They generously spend their members' dues to maintain the status quo and their own power. Union leaders spent tens of millions of their members' dues to oppose paycheck protection ballot initiatives in California in 2005 and 2012. They also use their members' dues to lobby heavily against legislative paycheck protection proposals, such as HB 1507 in Pennsylvania. Union leaders want to maintain their power over their membership.

The overwhelming majority of union members see things differently. Polls consistently show that most union members want their union to get their consent before spending their dues on political activities. By a 66 to 14 percent margin union members say it is unreasonable that unions can spend their dues on politics without getting their approval.<sup>29</sup> Fully 79 percent of union members believe that "Employees should have the right to not participate in their union's political support of specific candidates or political parties by requiring the union to get approval from employees" before doing so.<sup>30</sup>

Union members also believe the government should not take union dues out of government employees' paychecks. A recent survey of union members in Pennsylvania found that 72 percent believed their union—not the government—should collect dues from unionized government employees. 80 percent of union members believed the government should not use taxpayer resources to collect funds that get spent on political campaigns. In total 58 percent of Pennsylvania's union members support requiring government unions to collect the dues themselves. Only 32 percent oppose this proposal.

Paycheck protection puts workers in control and enables them to hold their union leaders accountable for how they spend their dues. Most union members want to speak with their own voice. Union bosses want to prevent that from happening, and use their members' dues to do so.

This may explain why two-thirds of Pennsylvania union members say they believe "A law preventing unions from using public resources to collect dues from its members will empower individual teachers and workers to have greater control over how their money is spent on politics."<sup>31</sup>

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<sup>29</sup> "Benchmark Study of Union Employee Election Year Attitudes," Question 36.

<sup>30</sup> Poll of 3,021 adults conducted by CARAVAN Surveys, Opinion Research Corp., between August 5 and August 15, 2011, "Poll of Union Members Regarding the Employee Rights Act," at <https://web.archive.org/web/20130623092934/http://www.employeerightsact.com/poll.html#methodology> Opinion Research Corp. is the same pollster used by CNN for its polling.

<sup>31</sup> Susquehanna poll of 401 union households conducted Feb. 6-9, 2014. Margin of error of + or - 4.9 percentage points 19 times out of 20. Available online at [http://www.commonwealthfoundation.org/docLib/20140214\\_PPUntionsSurvey.pdf](http://www.commonwealthfoundation.org/docLib/20140214_PPUntionsSurvey.pdf)

### **Union Political Spending Drops When Workers Have a Choice**

Evidence of the effectiveness of paycheck protection laws comes from states that have passed them. I empirically investigated how the passage of paycheck protection laws changed union political spending in the states that enacted them.<sup>32</sup> The Institute for Money in State Politics compiles data on campaign contributions to candidates for state office and classifies these contributions by the industry the donation came from—including government employee unions. Analyzing this data and statistically controlling for other factors<sup>33</sup> I found that paycheck protection laws reduce government union contributions to state legislative candidates by roughly 50 percent.

This finding was highly statistically significant and robust to many alternative specifications. Comparing states that passed paycheck protection laws to only nearby states or to only states that came close to passing paycheck protection laws had no effect on the final results. The paycheck protection laws also had no effect on contributions from other industries—they were only associated with reduced contributions from government unions. This strongly suggests that these statistical correlations represent causation.

Government employee unions give substantially less to state legislative candidates when they have to get their members' consent. Paycheck protection prevents union leaders from pursuing their own agenda and ignoring their members' preferences.

### **Ending Payroll Deductions Important Step**

Pennsylvania HB 1507 prohibits the state and local governments from collectively bargaining over the payroll deduction of union dues. This is an important step toward empowering union members and eliminating a taxpayer subsidy for special interests. HB 1507 would limit the current subsidy for fundraising that supports one point of view—that of union bosses—over and against union members and taxpayers with different views. The government should not use public resources to assist special interest fundraising. Unions should collect dues from their members themselves without using public resources.

### **Unions Would Attempt to Mitigate**

Union officers strongly oppose paycheck protection laws—they do not want to give up control. They do not want rank-and-file union members to have their own voice. Accordingly unions make no attempt to adhere to the spirit of paycheck protection laws and search for legal loopholes to continue to spend their members' dues on political activities. If the legislature passed HB 1507 government unions would attempt to mitigate

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<sup>32</sup> James Sherk, "What Do Union Members Want? What Paycheck Protection Laws Show About How Well Unions Reflect Their Members Priorities," Heritage Foundation Center for Data Analysis Report #06-08, August 30, 2006 at <http://www.heritage.org/research/reports/2006/08/what-do-union-members-want-what-paycheck-protection-laws-show-about-how-well-unions-reflect-their-members-priorities>

<sup>33</sup> These factors included government union density, state per-capita income, demographic factors, and time effects.

its effectiveness in transferring power from union officers to workers. This response would probably take two forms.

First, unions would pressure local governments to continue payroll dues deductions despite the law not requiring them to negotiate it. Many—if not most—municipalities would probably comply. Cities and counties run by politicians who benefit from union political spending would have little incentive to stop subsidizing union fundraising. Further, municipalities must bargain with unions over many other subjects besides dues deduction. Even if unions could not formally bargain over dues deductions they could informally convey that they will take a harder line in negotiations if municipalities stop subsidizing their dues collection. Prohibiting formal collective bargaining over dues deductions will not prevent informal collective bargaining.

The experience of the Transportation Security Agency (TSA) demonstrates this. The TSA began deducting union dues well before it began collective bargaining with its unions.<sup>34</sup> Many government bodies will accede to payroll deduction without a formal requirement they do so.

Second, if local governments stopped deducting dues, unions would require their members to pay dues through alternative means. Since Pennsylvania does not have a right-to-work law unionized government employees would still have to pay dues as a condition of employment.<sup>35</sup> Unions would inform the workers they represent they must pay union dues or lose their jobs. This happened when Michigan prohibited payroll deductions from teachers' paychecks in 2011 before it passed right to work the following year.

While doing so they would probably not inform workers of their *Abood* rights to opt out supporting their union's political activities. Unions would probably instead give workers a form to sign authorizing the union to collect full dues from their credit card or bank account. Once signed these forms would make it difficult to rescind such authorization. Ending payroll deductions would empower government employees only if they independently knew of their right to only pay agency fees. HB 1507 would leave union leaders with almost as much power to spend union dues irrespective of their members' wishes, minus the cost of collecting dues themselves.

### **Changes to Strengthen**

Five changes to HB 1507 would make it more effective at eliminating public subsidies for government unions and holding those unions accountable to their members.

First, it could include a provision outright prohibiting any dues deductions by government agencies—not simply prohibiting bargaining over such deductions. This would prevent unions from informally bargaining over dues deduction.

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<sup>34</sup> Tom Ramstack, "Unions Aim to Halt Layoffs of Airport Screeners," *The Washington Times*, July 9, 2003, at <http://www.washingtontimes.com/news/2003/jul/8/20030708-094836-4179r/?page=2>

<sup>35</sup> This could change depending on how the Supreme Court rules in *Harris v. Quinn*, a case challenging the constitutionality of union security clauses in the government.

Second, the legislation could require unions to keep separate bank accounts for representational and non-representational expenses, with a strict prohibition on comingling fund between them. This would prevent unions from using agency fees to support political expenses.

Third, the legislation could require a strict accounting by unions of “representational” and “non-representational” activities. This definition should clearly delineate what counts as bargaining expenses and exclude all political or lobbying activities. This would prevent unions from charging non-members for lobbying expenses and TV ad campaigns. Such delineation would reduce costs for agency fee payers. Government employees who do not belong to a union should not have to financially support activities that have nothing to do with representing them.

Fourth, the legislation could require unions to present workers with the choice of becoming full members or agency fee payers at the time they solicit dues. Unions should have to give workers the choice to opt out of their political spending. Workers should not be prevented from exercising their legal rights out of ignorance. Unions should have to inform workers of all their options when they solicit mandatory assessments.

Fifth, unions should have to get workers consent to collect anything more than agency fees each year or each election cycle. Union members may support one political campaign but that does not mean they support all union political activities. Unions should have to regularly ask for workers’ permission to spend their dues on activities unrelated to collective bargaining. This would force union leaders to pay close attention to their members’ wishes.

A paycheck protection law structured along these lines would more effectively protect the power of government employees to speak for themselves. Such a law would also survive constitutional scrutiny. In *Ysursa v. Pocatello Education Association* (2009) the Supreme Court upheld the constitutionality of a 1997 Idaho paycheck protection law containing these provisions. The Idaho law proved very effective at preventing union leaders from spending their members’ dues on unwanted political campaigns. Union political spending subsequently dropped by 75 percent.<sup>36</sup>

### **Conclusion**

The law should not empower special interests at the expense of individual workers and taxpayers. Unions spend billions to advance their officers’ political agenda, but most rank-and-file union members oppose this spending. Many union members see their dues spent on causes they abhor. Union political spending drops by roughly half when union members have a choice in the matter. Taxpayers subsidize this political fundraising through the public payroll system.

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<sup>36</sup> Larry Sand, “Paycheck Protection Redux,” *The City Journal*, September 28<sup>th</sup>, 2012 at <http://www.city-journal.org/2012/cjc0928ls.html>

Prohibiting government unions from negotiating payroll dues deductions in their contracts would represent an important step towards correcting this imbalance. This policy could be strengthened by an outright ban on collecting union dues with taxpayer resources. Provisions requiring strict separation of funds for representational and political activity, as well as requiring unions to inform members of their right to opt out of paying for their political activities when soliciting dues, would do even more to transfer power from union bosses to union members.

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