



## Government Unions' Unfair Political Privilege

*Pennsylvania's government unions have become a political giant—dominating the legislative battlefield through special financial and political benefits that no other private organization enjoys. Act 84 of 1988 and Act 15 of 1993 granted labor unions the power to force even non-union workers to pay fees as a condition of employment, and government unions are legally permitted to use taxpayer resources to collect money used for political purposes.*

### Summary

- Taxpayer resources should not be used for any political purposes.
- Every citizen and every organization—including government unions—should have an equal opportunity to engage in policy debates through a level playing field for all, and favor for none.
- Ending the government unions' special privilege of taxpayer-funded “automatic collection” of dues and political action committee (PAC) money is a matter of fairness.

### Pennsylvania's Political Giant

- In 2012, Pennsylvania's primary government unions spent more than **\$4.9 million from union dues** on political activities and lobbying, a 64% increase from 2006.
- The Pennsylvania State Education Association (PSEA) is Pennsylvania's largest government union. It boasts 190,967 members and brought in more than \$100 million in revenue last year. The union spent **\$3.2 million** of its members' dues on political activities and lobbying.
- The American Federation of State, County, and Municipal Employees (AFSCME) is Pennsylvania's second largest government union, with 65,484 members. The union collected more than \$39 million in revenue last year. It spent **\$845,000** of its members' dues on political activities and lobbying.

### Using Taxpayer Resources for Political Purposes

- Pennsylvania law currently grants government unions the ability to negotiate contracts that require using taxpayer resources to collect union dues, fees, and PAC contributions.
- Instead of collecting this money directly from members, government unions are able to have the state, school districts, and local governments automatically withhold dues, fees and PAC money from public employee paychecks, just like the IRS.

- While dues cannot be given directly to candidates, unions do use dues for independent political expenditures, mailers in support or opposition of political candidates, “get out the vote” efforts, and direct lobbying of legislators.

### **Union PAC Spending**

- By law, government unions cannot use their members’ dues to donate directly to candidates, but have PACs to make campaign contributions.
- Government unions benefit from using taxpayer-financed payroll systems that collect their PAC contributions for them from participating members.

<b>Union PAC contributions 2011-12 Election Cycle</b>			
<b>Union</b>	<b>2011</b>	<b>2012</b>	<b>Total</b>
<b>PSEA</b>	<b>\$438,695</b>	<b>\$1,485,229</b>	<b>\$1,923,924</b>
<b>PFT</b>	<b>\$190,880</b>	<b>\$198,942</b>	<b>\$389,822</b>
<b>AFSCME Council 13</b>	<b>\$357,598</b>	<b>\$603,209</b>	<b>\$960,807</b>
<b>SEIU Local 668</b>	<b>\$138,953</b>	<b>\$111,664</b>	<b>\$250,618</b>
<b>UFCW 1776</b>	<b>\$134,138</b>	<b>\$154,645</b>	<b>\$288,783</b>
<b>Pennsylvania AFL-CIO</b>	<b>\$37,397</b>	<b>\$121,825</b>	<b>\$159,222</b>
<b>Total</b>	<b>\$1,297,661</b>	<b>\$2,675,514</b>	<b>\$3,973,176</b>

- PAC contributions from just six of Pennsylvania’s largest government unions (see Table) exceeded \$3.9 million in the 2011-12 election cycle.

### **Government Union Contributions to Advocacy Organizations**

Government unions also use members’ dues to fund a variety of organizations with political agendas, often reporting these contributions as “educational” rather than political, *without* having to ask for a member’s permission.

- The Pennsylvania State Education Association contributed more than \$100,000 to groups echoing the teachers’ union’s political agenda.
  - ◆ \$50,000 to Coalition for Labor Engagement and Accountable Revenues (CLEAR), a coalition of union organizations advocating for higher taxes and spending, to retain the current government liquor monopoly, and against pension reform.
  - ◆ \$54,500 to the Keystone Research Center, a union-funded and union-governed progressive think tank which pushes pro-union policies.
  - ◆ \$5,000 to Keystone Progress, a progressive advocacy organization.
- The National Education Association (NEA), which also gets its dues and fees collected by Pennsylvania taxpayer-financed payroll systems, contributed nearly \$15 million to advocacy groups in 2011-12.
- The American Federation of Teachers (AFT), another organization that gets its dues and fees collected by Pennsylvania taxpayer-financed payroll systems, donated \$6 million to advocacy groups in 2011-12.
- United Food and Commercial Workers (UFCW), representing the unionized workers in Pennsylvania’s government-run wine and spirits stores contributed \$63,000 to the AFL-CIO for the “CLEAR Coalition” and \$5,000 to the Keystone Research Center, which opposes privatization of Pennsylvania’s liquor stores.
- The American Federation of State, County and Municipal Employees Council 13 contributed \$50,000 to the Keystone Research Center.

## “Fair Share” Fee Payers

- Pennsylvania is a forced-union state—one of 26 in the country. This means government employees—state workers, teachers, municipal employees, etc.—who do not wish to join a union can be forced to forfeit a portion of their paychecks, called an “agency” or “fair share” fee, to a union as a condition of employment.
- This fee varies by union. For the PSEA, it is about 65% of union dues. The fair share fee purportedly covers only the individual’s share of collective bargaining costs. Fee payers do not have voting privileges and are ineligible for union legal representation and professional liability insurance.
- More than 20,000 government workers in Pennsylvania choose not to join a union, and are still required to pay this fair share fee under state law and government union contracts.

Members and Fee Payers, 2012					
	PSEA	AFSCME Council 13	UFCW 1776 (2011 data)	SEIU Local 668	PFT
Union Members	185,647	51,676	18,536	16,678	30,916
Fair Share Fee Payers	5,320	13,808	2,095	3,074	0
Total Members/Fee Payers	190,967	65,484	20,631	19,752	30,916
Source: Office of Labor-Management Standards, “Form LM-2 Labor Organization Annual Reports,” 2012, <a href="http://kcerds.dol-esa.gov/query/getOrgQry.do">http://kcerds.dol-esa.gov/query/getOrgQry.do</a> .					

## Government Union Leaders

Dues taken out of members’ paychecks do not necessarily benefit the “working class,” but do support the hefty salaries and benefits of union leaders and officials.

- PSEA president Michael Crossey made \$257,210 last year, or three times more than the average salary of a PSEA member.
- AFSCME Council 13 executive director David Fillman made \$203,907 last year, which is more than five times the average salary of a AFSCME Council 13 member.
- UFCW president Wendell Young, IV made \$280,615 last year. That is more than nine times the average salary of a UFCW employee.
- SEIU president Kathy Jellison’s salary nearly doubled the average salary of a SEIU member.
- PFT President Theodore Kirsch made more than twice as much as the average PFT member.

Pennsylvania Government Union Profiles, 2012					
	PSEA	AFSCME Council 13	UFCW 1776	SEIU Local 668	PFT
Members and Fee Payers	190,967	65,484	18,547	19,752	30,916
Total Revenue	\$100,017,986	\$39,303,913	\$20,985,912	\$13,168,763	\$2,623,820
Political Activity & Lobbying	\$3,254,411	\$845,677	\$511,393	\$210,362	\$97,782
Chief Executive	Michael Crossey	David Fillman	Wendell Young, IV	Kathy Jellison	Theodore Kirsch
CEO/Pres. Compensation	\$257,210	\$203,907	\$263,764	\$97,318	\$170,997
Number of Union Managers Earning \$100,000 +	149	53	11	0	10
Regular Dues for Full Time Member	\$476/year	1.5% of salary	\$16.97/week	1.39% of salary	\$10.30/month
Avg. Member Salary*	\$62,019	\$40,592	\$30,932	\$49,067	\$62,019
Avg. Member Compensation*	N/A	\$64,442	\$53,453	\$72,688	N/A

Sources: Office of Labor-Management Standards, “Form LM-2 Labor Organization Annual Reports,” 2012, <http://kcerds.dol-esa.gov/query/getOrgQry.do>; Pennsylvania Open Government, “2012 State Government Workforce Statistics-Average Compensation By Union Fiscal Year 2010-11,” [http://www.oabis.state.pa.us/SGWS/2012/SGWS\\_MAIN.html](http://www.oabis.state.pa.us/SGWS/2012/SGWS_MAIN.html), Pennsylvania Department of Education, Professional and Support Personnel Data and Statistics, 2011-12, [http://www.pde.state.pa.us/portal/server.pt/community/professional\\_and\\_support\\_personnel/7429](http://www.pde.state.pa.us/portal/server.pt/community/professional_and_support_personnel/7429).

\* Average salary for all state government employees covered under collective bargaining agreement for AFSCME, UFCW, and SEIU (PSSU-Social Workers); state average salary of full-time classroom teachers for PSEA and PFT.

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## Ending Automatic Collection

A number of states have taken steps to end the use of taxpayer resources for political purposes. Laws such as “paycheck protection” ensure that unions do not spend member dues on political activities without a member’s direct consent. Some “paycheck protection” laws even require unions to collect their own dues, instead of placing that burden on taxpayer-financed government payroll systems.

- Washington (1992): Enacted a law stating no employer may withhold an employee’s pay for any kind of political spending unless the employee gives written consent.
- Idaho (1997): Enacted a law requiring political committees to get annual written consent from workers before obtaining contributions through automatic payroll withholding.
- Wyoming (1998): Enacted a law banning the use of automatic dues collection for both public and private sector unions, unless the contributing individual gives written consent.
- Utah (2001): Prohibited the automatic collection of dues from state employee paychecks for political purposes.
- Indiana (2005): Governor Mitch Daniels issued an executive order eliminating the practice of automatic dues collection for state workers.
- Alabama (2010): Passed a law prohibiting the withholding of dues from state employee paychecks for political purposes.
- Wisconsin (2011): Passed a law prohibiting automatic dues collection of *all* dues from state employee paychecks, excluding public safety employees.
- Michigan (2012): Passed a law prohibiting school employers from using their public resources to collect dues from employee paychecks.

## Principles for Reform

- **Prohibit taxpayer-financed collection of dues, fees and PAC money:** Unions—not taxpayers—should be responsible for collecting member dues, fees and PAC money.
  1. Unions would become more accountable to their members. Instead of dues being automatically withheld from the paychecks of members, unions will have to collect money from individual members, and justify why those monies are necessary.
  2. Taxpayers will no longer be responsible for financing the deduction of dues, fees and PAC dollars—that responsibility will fall on the unions, where it belongs.
  3. Both union members and taxpayers should not be forced to subsidize political candidates, issues or lobbying efforts. They should be able to do so voluntarily.
- **Freedom of association:** Make union support voluntary. Individuals should be free to associate with any group they choose. No individual should be forced to pay a union as a condition of employment in government; and no union should be forced to bargain on behalf of an employee who does not pay the union.