



Policy Points

from the COMMONWEALTH FOUNDATION

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COLLECTIVE BARGAINING TRANSPARENCY

State law empowers government unions to be the exclusive representative of employees during contract negotiations with an employer. This is known as collective bargaining. Negotiations can have far reaching implications because they set compensation for tens of thousands of public employees, costing Pennsylvania taxpayers billions of dollars a year. Despite the enormous impact on taxpayers, the negotiation process is shrouded in secrecy.

The Scope of State Collective Bargaining Contracts

- Governor Wolf's Office of Administration is in the early stages of contract negotiations with 16 government unions. These contracts cover approximately 44,600 workers, costing taxpayers nearly \$3.38 billion.

Union Contracts 2015					
Union	Description	Employees	Avg. Total Compensation	Total Cost	Expiration
AFSCME	Master Agreement	30,808	\$72,243	\$2,225,662,344	6/30/2015
SEIU Local 668	Social Workers	8,955	\$81,152	\$726,716,160	6/30/2015
SEIU Healthcare	Nurses, Non-Supervisory	1,142	\$106,460	\$121,577,320	6/30/2015
UFCW Local 1776	Liquor Store Clerks	1,437	\$59,947	\$86,143,839	6/30/2015
ISSU	Liquor Store Managers	689	\$79,049	\$54,464,761	6/30/2015
CIVEA	Corrections Education Teachers	353	\$104,257	\$36,802,721	6/30/2015
FOSCEP	Educational & Cultural	306	\$99,173	\$30,346,938	6/30/2015
OPEIU	Nurse Supervisors	228	\$124,071	\$28,288,188	6/30/2015
PLEA	Liquor Law Enforcement Officers	111	\$79,696	\$8,846,256	6/30/2015
PSRA	DCNR Rangers	86	\$86,614	\$7,448,804	6/30/2015
FOP	Capitol Police	74	\$90,015	\$6,661,110	6/30/2015
CBA	PUC Attorneys	25	\$128,113	\$3,202,825	6/30/2015
PSEA	Non-Tenured Teachers	27	\$104,018	\$2,808,486	6/30/2015
ALES	Liquor Law Enforcement Supervisors	24	\$102,027	\$2,448,648	6/30/2015
PDA	Physicians	142	\$172,197	\$24,451,974	6/30/2012
UGSOA	Security Officers	177	\$64,716	\$11,454,732	8/31/2014
Total		44,584		\$3,377,325,106	
Contracts: http://www.oa.state.pa.us/portal/server.pt/community/collective_bargaining_m_d/20137					
Compensation Data: http://www.oabis.state.pa.us/SGWS/2015/SGWS_MAIN.html					

- Traditionally, the American Federation of State, County, and Municipal Employees (AFSCME) contract is settled first. It is the “Master Agreement” that serves as the model for other union contracts.
- In 2011, contracts negotiated by Governor Corbett included an 11.24% increase in costs over four years. A similar increase would represent approximately a **\$380 million annual increase** in annual spending after four years. This does not include higher pension contribution rates, which are set at a percentage of salary.

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- Contract negotiations have no legislative input or oversight. The terms of the contracts—pay increases, health insurance benefits, work rules, etc.—are negotiated behind closed doors and agreed to at the sole discretion of the governor.
 - Union contracts don't just govern salary schedules and benefit packages. They also include provisions for the automatic deduction of union dues, fair share fees, and direct campaign contributions from employee paychecks, as well as remission of those funds to union bank accounts.

Lack of Transparency

- According to Section 707 of Pennsylvania's Sunshine Act, agencies are permitted, but not required, to exempt collective bargaining negotiations from the law's open meeting requirement.
- In practice, collective bargaining negotiations are usually held away from the public eye. In fact, the final contract is not posted until after an agreement has been reached, as Pennsylvania law does not require contracts to be placed in the public domain before or even after ratification.
 - ⇒ In 2011, both the Corbett Administration and AFSCME agreed not to release the details of their agreement until after the contract was ratified by members, depriving taxpayers of the ability to weigh in on a decision that greatly affects their finances.
- At the school district level, the process is just as opaque. Government unions and school boards are not required to make collective bargaining negotiations or contracts public before ratification.
 - ⇒ For example, the Bethlehem Area School Board recently ratified a collective bargaining agreement without providing the document to the public until both the board and the local union ratified it.

Potential Conflict of Interest in Negotiations

- Due to the unique nature of collective bargaining in government, Governor Wolf will be negotiating contracts with some of his biggest campaign contributors: government unions. Six of these government unions negotiating or soon to be negotiating with the Wolf Administration contributed more than \$2.6 million to Wolf's campaign.
 - ⇒ Much of the \$2.6 million given to Governor Wolf was collected using taxpayer resources. State contracts, as well as many school and local government contracts, include provisions authorizing public payroll systems to deduct campaign contributions to union political action committees.
 - ⇒ If Governor Wolf were to approve new union contracts permitting taxpayer collection of campaign contributions, he could see a direct benefit during his next campaign.

Promoting Transparency in Collective Bargaining

- The importance of state contract negotiations cannot be understated. Reforms are essential to make the process more transparent, allowing input from taxpayers who have a stake in the negotiations.
 1. Require collective bargaining proposals to be posted online before a ratification vote.
 2. Provide taxpayers with an estimate of the costs associated with each collective bargaining proposal before a ratification vote.
 3. Open collective bargaining negotiations to the public.