

*the*  
**SQUEEZE**



**GOVERNMENT UNIONS' GRIP ON PENNSYLVANIANS**



225 State Street, Suite 302 | Harrisburg, PA 17101  
717.671.1901 phone | 717.671.1905 fax  
CommonwealthFoundation.org

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# The Squeeze: Government Unions' Grip on Pennsylvanians

By Priya Abraham and Cara Dochat

## Executive Summary

Pennsylvania's government unions wield tremendous political influence and advance policies that harm the commonwealth's taxpayers, children, and even their own members. Pennsylvania is a forced union state, meaning even workers who are not official union members must pay fees to the union as a condition of their employment. A single union usually has monopoly bargaining power with a government unit, such as a school district, preventing employees from choosing a different union or from bargaining individually. And most government units are "agency shop," requiring non-union workers to pay a fair share fee to a union in order to keep their job.

Pennsylvania law also grants government unions the unique and special privilege to use government payroll and administrative systems to deduct dues and fair share fees automatically from workers' paychecks—money workers earn, but never see. Automatic deductions—at taxpayers' expense—help bankroll six-figure salaries for union bosses, political lobbying, and expensive conferences and junkets while employees have little or no say in how unions use their money.

Government employees were granted the legislative privilege to unionize in 1970, and since then, a number of Pennsylvania laws have increased union power while violating workers' freedom of association. Half of Pennsylvania's government workers are unionized,<sup>1</sup> amounting to nearly 300,000 voluntary members and involuntary fee payers in the four largest government unions: the Pennsylvania State Education Association (PSEA), the American Federation of State, Council and Municipal Employees (AFSCME), United Food and Commercial Workers (UFCW), and the Service Employees International Union (SEIU).

Government unions often lobby for policies that work against the best interest of their members. The PSEA—the state affiliate of the National Education Association—advocates for policies that hurt both teachers and students. The "last in, first out" policy, for example, means teachers are furloughed or laid off on the basis of seniority rather than merit, shoving some of the best, most effective teachers out of the classroom. The PSEA also opposes the expansion of proven programs that serve the individual learning needs of children and give families options beyond the traditional district-based public schools.

Last year, the PSEA spent \$4.2 million on lobbying and political activity, an increase of about 60% from the prior year.<sup>2</sup> Members' dues fund activities such as a \$22,000 gubernatorial debate video, public surveys on education initiatives such as vouchers, and advertising campaigns on public education.

Current government collective bargaining laws have enabled government unions to drive up taxpayer costs in the form of unsustainable salary, benefit and pension increases at a

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<sup>1</sup> Barry Hirsch and David Macpherson, "Union Membership, Coverage, Density and Employment by State, 2010," [http://unionstats.gsu.edu/State\\_U\\_2010.htm](http://unionstats.gsu.edu/State_U_2010.htm).

<sup>2</sup> Office of Labor-Management Standards Union Search, "Form LM-2 Labor Organization Annual Report; File Number 512-989," 2010 and 2011 Report, U.S. Department of Labor, <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

time when state and local governments face significant budget shortfalls. In Gov. Tom Corbett's 2012-13 proposed budget, payment into state pension plans will increase to \$1.6 billion, up from about \$1 billion the previous year.<sup>3</sup> By 2016, projected state and school district pension payments will balloon to \$5.6 billion, an increase of more than 400% in just five years.<sup>4</sup> The most recently negotiated state contract for AFSCME Council 13 and SEIU Local 668 adds further injury, giving workers an 11.2% pay increase over four years, and requiring minimal employee contributions to health care costs compared to what private sector workers pay.<sup>5</sup>

For the benefit of taxpayers and children, Pennsylvania lawmakers should enact several proven reforms that respect employees' rights at work while empowering public officials to manage their workforce and budgets. These reforms include ending use of taxpayer resources to collect dues and fees for lobbying organizations, requiring unions to receive permission from union members before using dues or fees for political activity, repealing laws that compel government workers to pay fees to a union as a condition of employment, and relieving unions of having to represent any non-dues or non-fee paying employees.

### **What are Government Unions?**

Though the Pennsylvania State Education Association and the American Federation of State, County and Municipal Employees were founded in 1853 and 1932 respectively, government employees in Pennsylvania were not allowed to fully unionize and collectively bargain with public officials until 1970. Historically, even union-friendly political leaders such as Franklin Delano Roosevelt opposed government employee unions because they bargain over taxpayer dollars, not business profits, as is the case in the private sector. In 1955, the AFL-CIO said government workers have no collective bargaining privileges beyond the right to petition government.

Opposition to government unionization stemmed from the recognition of the important differences between the public and private sectors. Private-sector unions bargain over how much unionized employees should share in the profits of a business. Profits are limited, and the existence of competition from others moderates unreasonable demands for higher wages and benefits.

Government, on the other hand, earns no profits, and has no competition. It is a monopoly. Therefore, public-sector unions, by gaining a monopoly over the government workforce, negotiate over tax dollars. The lack of competition allows public-sector unions the power to deprive citizens of essential government services—public safety, mass transit, and education—when union demands are not met at the bargaining table.

Today, 26 states grant collective bargaining power to all government employee unions. Twelve states grant collective bargaining for some types of government employees, and 12 grant no general collective bargaining power for government worker unions at all.<sup>6</sup>

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<sup>3</sup> PA Office of the Budget, 2012-13 Proposed Budget Slide Presentation, <http://www.budget.state.pa.us>.

<sup>4</sup> Commonwealth Foundation, "Pennsylvania State Pension Liabilities," June 6, 2011. <http://www.commonwealthfoundation.org/research/detail/pennsylvania-state-pension-liabilities>.

<sup>5</sup> Priya Abraham, "Disappointing Results From State Union Contract Deals," July 5, 2011. <http://www.commonwealthfoundation.org/policyblog/detail/disappointing-results-from-state-union-contract-deals>.

<sup>6</sup> Josh Barro, "What's Next in Wisconsin,." The Corner, entry posted March 10, 2011, <http://www.nationalreview.com/corner/261815/what-s-next-wisconsin-josh-barro>.

Pennsylvania granted collective bargaining privileges to government employee unions with the passage of the Public Employee Relations Act of 1970, which also established rules for arbitration, striking, and penalties.<sup>7</sup> Government unions grew with these legislatively granted privileges, ballooning to tens of thousands of members from state, municipal, county, township, borough, and school district entities.<sup>8</sup> In Pennsylvania, the strong bargaining power of government unions has fueled tax increases and runaway spending, giving commonwealth taxpayers the 10<sup>th</sup>-highest state and local tax burden in the nation.<sup>9</sup>

<b>Pennsylvania Government Union Profiles, 2011</b>				
	<b>PSEA</b>	<b>AFSCME Council 13</b>	<b>UFCW 1776* *</b>	<b>SEIU Local 668</b>
<b>Members and Fee Payers</b>	<b>197,346</b>	<b>61,655</b>	<b>21,405</b>	<b>19,258</b>
<b>Total Revenue</b>	<b>\$99,496,318</b>	<b>\$35,868,063</b>	<b>\$14,438,103</b>	<b>\$13,326,144</b>
<b>Chief Executive</b>	<b>James Testerman</b>	<b>David Fillman</b>	<b>Wendell Young, IV</b>	<b>Kathy Jellison</b>
<b>CEO/Pres. Compensation</b>	<b>\$253,583</b>	<b>\$205,891</b>	<b>\$287,386</b>	<b>\$99,098</b>
<b>Number of Union Managers Earning \$100,000 +</b>	<b>148</b>	<b>46</b>	<b>11</b>	<b>0</b>
<b>Regular Dues for Full Time Member</b>	<b>\$427/year</b>	<b>1.5% of salary</b>	<b>\$16.97/week</b>	<b>1.39% of salary</b>
<b>Avg. Member Salary*</b>	<b>\$61,237</b>	<b>\$39,464</b>	<b>\$31,022</b>	<b>\$47,754</b>
Sources: Office of Labor-Management Standards, "Form LM-2 Labor Organization Annual Reports," <a href="http://kcerds.dol-esa.gov/query/getOrgQry.do">http://kcerds.dol-esa.gov/query/getOrgQry.do</a> , Pennsylvania Open Government, "2011 State Government Workforce Statistics-Average Compensation By Union Fiscal Year 2009-10," <a href="http://www.oabis.state.pa.us/SGWS/2011/SGWS_Main.html">http://www.oabis.state.pa.us/SGWS/2011/SGWS_Main.html</a> , Pennsylvania Department of Education, Professional Personnel Summary Public Schools, <a href="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</a>				
* Average salary for all state government employees covered under collective bargaining agreement for AFSCME, UFCW, and SEIU; average salary of all school district professional employees for PSEA. **LM-2 Year 2010 Report for UFCW.				

Today, Pennsylvania's largest government union is the Pennsylvania State Education Association, the state affiliate of the National Education Association. The PSEA boasts 192,032 members and collects more than \$99 million annually from school districts and educational entities. Its assets in 2011 totaled \$76 million, including ownership of 14 buildings.<sup>10</sup> AFSCME Council 13, an affiliate of the AFL-CIO that represents Pennsylvania government employees, has 48,616 members, and collected \$36 million in 2010-11.<sup>11</sup> The United Food and Commercial Workers (UFCW) Local 1776, which represents food industry employees and state liquor store clerks, has 19,969 members and received \$14 million in

<sup>7</sup> Pennsylvania Department of Education, "Public Employee Relations Act," <http://www.portal.state.pa.us/portal/server.pt?open=514&objID=552991&mode=2>.

<sup>8</sup> *Ibid.*

<sup>9</sup> Tax Foundation, "State and Local Tax Burdens: All States, One Year, 1977-2009," <http://www.taxfoundation.org/taxdata/show/336.html>.

<sup>10</sup> Office of Labor-Management Standards Union Search, "Form LM-2 Labor Organization Annual Report; File Number 512-989," 2011 Report, U.S. Department of Labor, <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

<sup>11</sup> Office of Labor-Management Standards Union Search, "Form LM-2 Labor Organization Annual Report; File Number 071-060," 2011 Report, U.S. Department of Labor, <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

2010.<sup>12</sup> The Service Employees International Union (SEIU) Local 668 has 16,571 members and revenue in 2011 of \$13 million.<sup>13</sup> With such large organizations come extravagant spending of funds collected from tax dollars for executive salaries, political activity, junkets, luxury conferences and even dues-funded golf trips.

### How Government Unions Force Workers to Pay to Keep Their Jobs

In compulsory union states such as Pennsylvania, employees in both the government and private sectors can be forced to give part of their pay to unions as a condition of employment. **Right-to-work** laws protect employees from having to pay union dues or fees just to keep their jobs.<sup>14</sup> However, Pennsylvania is one of 27 states<sup>15</sup> with forced unionism, and Act 84 of 1988 specifically authorizes compulsory dues or fees as conditions for continued employment.

Workers can be forced to support the union regardless of their membership status, through “**fair share fees.**” These fees cover non-members’ share of the supposed benefits gained from collective bargaining. Fee payers, who are forced to pay around 80% of regular membership dues, do not have voting privileges, nor do they have access to union benefits such as reduced fees for legal representation and professional liability insurance.<sup>16</sup>

Once an employee is forced to pay dues or fees, those monies can be used to financially back or endorse political candidates that an employee may not support. Though Pennsylvania and federal law prohibit direct contributions made with dues or fees to a candidate’s campaign, unions can spend this money on independent advertising in support of candidates and issues, mailers announcing endorsed candidates, get-out-the-vote efforts, and other election-related activity. Eight states have “**paycheck protection**” laws<sup>17</sup> enacted to prohibit government sector unions from using employee dues and fees for political activities without workers’ written permission.<sup>18</sup> State laws protecting worker paychecks have been upheld by the U.S. Supreme Court.<sup>19</sup>

Regardless of what union dues or fees are ultimately used for, **dues deductions** are made by government entities from public employee paychecks and remitted to the respective unions. That is, employees never receive that portion of their salary, but the governmental unit, such as a school district, withholds the money from paychecks and writes checks to unions for those amounts. This practice uses taxpayer-funded administrative staff and systems to ensure that unions receive their dues, fees and political contributions, conferring an unfair advantage to these private organizations.

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<sup>12</sup> Office of Labor-Management Standards Union Search, “Form LM-2 Labor Organization Annual Report; File Number 045-254,” 2010 Report, <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

<sup>13</sup> Office of Labor-Management Standards Union Search, “Form LM-2 Labor Organization Annual Report; File Number 505-025,” 2011 Report. Department of Labor, <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

<sup>14</sup> Alliance for Worker Freedom, “Executive Summary: 2009 Index of Worker Freedom,” [http://www.workerfreedom.org/userfiles/Executive Summary and Identification of Defining Variables.pdf](http://www.workerfreedom.org/userfiles/Executive%20Summary%20and%20Identification%20of%20Defining%20Variables.pdf)

<sup>15</sup> In 2012, Indiana became the 23<sup>rd</sup> right-to-work state.

<sup>16</sup> Pennsylvania State Education Association, Letter from PSEA President James P. Testerman to Fee Payers, December 9, 2010.

<sup>17</sup> Workplacechoice.org, “Big Labor vs. Taxpayers Index,” <http://workplacechoice.org/state-map/big-labor-vs-taxpayer-detailed-information/>.

<sup>18</sup> Alliance for Worker Freedom, “Executive Summary: 2009 Index of Worker Freedom,” [http://www.workerfreedom.org/userfiles/Executive Summary and Identification of Defining Variables.pdf](http://www.workerfreedom.org/userfiles/Executive%20Summary%20and%20Identification%20of%20Defining%20Variables.pdf)

<sup>19</sup> Michael Reitz, “Paychecks Unprotected,” *Labor Watch* (January 2006), <http://www.capitalresearch.org/pubs/pdf/LW0106.pdf>.

In total, the commonwealth withheld and paid more than \$33 million in dues and more than \$7 million in fair share fees to 19 unions representing state government employees in 2010.<sup>20</sup> The PSEA alone surpassed all the state government unions combined: the union took in more than \$56 million in dues and agency fees from school district employees in 2010-11, with an additional \$24 million going to union affiliates, mainly the National Education Association.<sup>21</sup>

In addition, numerous union contracts conscript the state to collect contributions to the union's Political Action Committee (PAC) via paycheck withholding, a privilege enjoyed by unions PACs and no other private organizations. Unions can give these PAC contributions legally and directly to candidates for office.<sup>22</sup>

Furthermore, 36 states force government sector employees to bargain collectively, purporting to get the best deal for everyone possible. But requiring employees to negotiate wages and conditions as a group rather than as individuals ignores variation in individual ability, interests, and preferences, giving some employees unfair advantage and disadvantaging others.<sup>23</sup> **Collective bargaining** also empowers union bosses at the expense of non-unionized employees and employers (which in the public sector consists of the government and, by extension, taxpayers).

The majority of union funds come from forced dues and fees, and should thus be used to represent members and their interests. Of total PSEA receipts in 2010-11, 56% came from union dues or fees, with members paying up to \$427 per year—just for the state portion.<sup>24</sup> And the union keeps raising dues: For 2011-12, PSEA annual dues were \$476 for a full-time teacher, with an additional \$178 going to the National Education Association, bringing total dues to \$654. Some PSEA local branches tack on additional fees, leaving some teachers and educational staff owing dues to three union entities: local, state and national.<sup>25</sup> More than 5,000 non-members pay the PSEA “fair share fees,” calculated as 76% of PSEA dues and 48% of NEA dues in 2010-11.<sup>26</sup>

Members of AFSCME Council 13 are required to pay 1.5% of their salaries per pay period in dues, or \$592 of the average member's salary in a year.<sup>27</sup> Dues and agency fees comprised 80% of UFCW 1776's receipts last year, with each payer contributing \$4.74 to \$16.97 per week. That amounts to \$882 in dues or fee payments per year on the top end.<sup>28</sup>

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<sup>20</sup> Nicholas Fett, “Pennsylvania's State Union Contracts,” June 2, 2011,

<http://www.commonwealthfoundation.org/research/detail/pennsylvanias-state-union-contracts>

<sup>21</sup> Office of Labor-Management Standards Union Search, “Form LM-2 Labor Organization Annual Report; File Number 512-989,” 2011 Report. U.S. Department of Labor, <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

<sup>22</sup> Nicholas Fett, “Pennsylvania's State Union Contracts,” June 2, 2011,

<http://www.commonwealthfoundation.org/research/detail/pennsylvanias-state-union-contracts>

<sup>23</sup> Alliance for Worker Freedom, “Executive Summary: 2009 Index of Worker Freedom,”

<http://www.workerfreedom.org/userfiles/ExecutiveSummaryandIdentificationofDefiningVariables.pdf>.

<sup>24</sup> Office of Labor-Management Standards Union Search, “Form LM-2 Labor Organization Annual Report; File Number 512-989,” 2011 Report, U.S. Department of Labor, <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

<sup>25</sup> Pennsylvania State Education Association, “The Pennsylvania State Education Association-National Education Association 2011-2012 Enrollment Form,” <http://www.psea.org/uploadedFiles/JoinPSEA/EnrollmentEA-ESP.pdf>.

<sup>26</sup> Richard McNeill, Decision of Arbitrator in the Matter of 2010-2011 Fair Share Fee Determination, January 11, 2012.

<sup>27</sup> Office of Labor-Management Standards Union Search, “Form LM-2 Labor Organization Annual Report; File Number 071-060,” U.S. Department of Labor, <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

<sup>28</sup> Brad Bumsted, “Pennsylvania Union Leaders Defend Top Pay,” *Pittsburgh Tribune-Review*, July 24, 2011, [http://www.pittsburghlive.com/x/pittsburghtrib/news/pittsburgh/s\\_748197.html](http://www.pittsburghlive.com/x/pittsburghtrib/news/pittsburgh/s_748197.html).

A full 87% of SEIU's receipts came from dues paid by members, at a rate of 1.39% of their salaries.<sup>29</sup>

Though dues payments and fees seem to be a small fraction of employees' salaries, these dues take away from what they can spend on food, housing, health care, and energy bills. Automatically deducting fees from workers' paychecks takes away their freedom to decide how to spend their own salaries. Rank-and-file members should be able to determine whether or not to fund the salaries and political endeavors of their much better paid union executives. They should not be forced to pay for services they neither seek nor use.

### Union Bosses Get Rich Off Forced Dues

While public employees pay taxes and should be compensated fairly, their dues—derived from taxpayer money—also pays the lavish salaries and expenses of the union bosses who organize them.

With an annual income of more than \$99 million, the PSEA and unions like it have wealth that their bosses exploit. PSEA President James P. Testerman made \$187,392 in 2010-11, which balloons to \$253,583 including benefits.<sup>30</sup>

PSEA's highest-paid employee by salary alone was Joseph Kirk, a field manager, who made \$254,992 in 2010-11. He, PSEA Vice-President Michael Crossey and Testerman were the three PSEA employees who received more than \$200,000 in total compensation that year. Altogether, 141 union staffers received more than \$100,000 in salary (not including other compensation).<sup>31</sup> In contrast, the average public school professional employee earned \$61,000.<sup>32</sup>

For PSEA officials, their business isn't all work and no play. In 2010-11, union members and fee payers shelled out:

- \$29,333 at Eden Resort Inn in Lancaster for a “region house of delegates meeting.”
- \$31,194 at Liberty Mountain Resort in Carroll Valley for a “region leadership conference.”
- \$8,253 at Pinecrest Golf Club in Lansdale for another “region house of delegates meeting.”
- \$48,408 at Seaview Dolce Resort on the Jersey Shore (with golf club and spa) for a “regional continuing professional education conference.”
- \$29,647 at Seven Springs Mountain Resort in Champion for another “regional continuing professional education conference.”
- \$26,499 at Bear Creek Mountain Resort in Macungie for a “region meeting.”

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<sup>29</sup> Office of Labor-Management Standards Union Search, “Form LM-2 Labor Organization Annual Report; File Number 505-025, 2011 Report. Department of Labor, <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

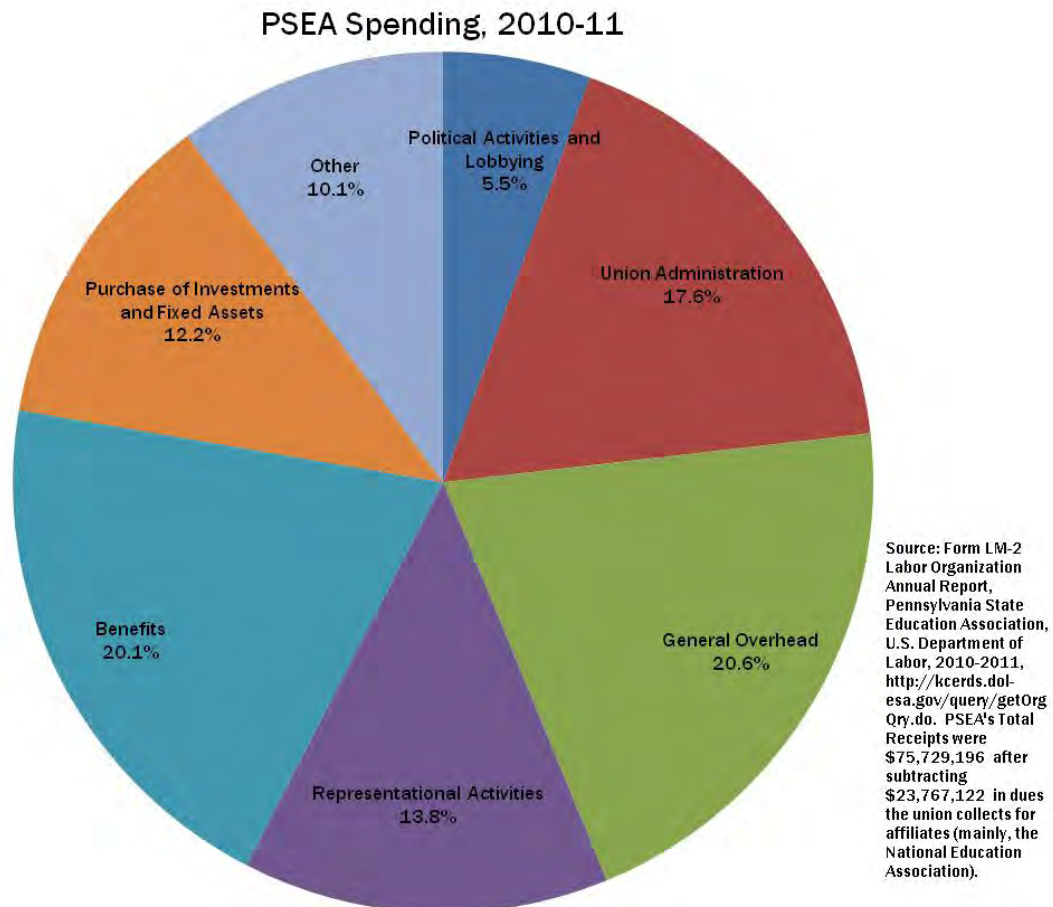
<sup>30</sup> Thomas Ginsberg, “Fruits of Their Labor,” *Philadelphia Inquirer*, November 21, 2004, [http://articles.philly.com/2004-11-21/business/25378741\\_1\\_wendell-young-iii-national-unions-president-and-business-agent](http://articles.philly.com/2004-11-21/business/25378741_1_wendell-young-iii-national-unions-president-and-business-agent).

<sup>31</sup> Office of Labor-Management Standards Union Search, “Form LM-2 Labor Organization Annual Report; File Number 512-989,” 2011 Report. U.S. Department of Labor, <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

<sup>32</sup> Pennsylvania Department of Education, Professional Personnel Summary Public Schools, [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)



In 2010-11, the PSEA spent 38% of its total \$75.7 million in total revenues on overhead and union administration (once payments to affiliates are subtracted). This was almost *triple* the 14% the union spent on “representational activities,” or activities meant to help teachers and school employees directly.



When Pennsylvania state government union contracts neared their June 2011 expiration date, AFSCME Council 13’s executive director David Fillman acknowledged a tight budget. He claimed to defend “the lowest-paid workers in the state,”<sup>33</sup> though he received \$186,134 in salary in 2010—a 6% raise from the previous year and higher than Gov. Tom Corbett’s salary.<sup>34</sup> In 2010-11, the highest paid executive at Council 13 was legislative director Barry Bogarde, who received \$340,121 in salary.<sup>35</sup> The average AFSCME state employee makes \$39,000 a year, about one-ninth of what Rowe makes.<sup>36</sup>

<sup>33</sup> Tracie Mauriello, “Some at Pa. Schools Get Raises,” *Pittsburgh Post-Gazette*, April 20, 2011, <http://www.post-gazette.com/pg/11110/1140496-454-0.stm?cmpid=localstate.xml#ixzz1S6oB77fo>.

<sup>34</sup> David Combs, “On Average, Governors’ Salaries Show Decline in Pay,” Stateline.org, April 7, 2011, <http://www.stateline.org/live/details/story?contentId=565482>.

<sup>35</sup> Office of Labor-Management Standards Union Search, “Form LM-2 Labor Organization Annual Report; File Number 071-060,” 2011 Report, U.S. Department of Labor, <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

<sup>36</sup> Pennsylvania Open Government, “Workforce Statistics,” [http://www.portal.state.pa.us/portal/server.pt/community/transparency\\_home/19986](http://www.portal.state.pa.us/portal/server.pt/community/transparency_home/19986).

AFSCME reported \$494,230 in “public relations” expenditures in 2010-11, with more than half going to newspaper printing. “Miscellaneous meetings” cost \$33,887 in lodging and catering fees.<sup>37</sup>

Twelve UFCW employees receive more than \$100,000 in compensation. However, its president, Wendell Young, IV, leads the pack of well-paid government union bosses with compensation totaling \$287,386—nearly \$100,000 more than the next highest paid UFCW employee and equal to the salary of nine UFCW members combined.<sup>38</sup> In 2004, Young attempted to dispel public anger over exorbitant union salaries by maintaining that union boss pay is still less than corporate salaries, while stating at the same time that bosses secure the best possible wages for their members but not necessarily for themselves.<sup>39</sup>

### Government Unions Used Forced Dues to Fund Political Activity and Lobbying

Compulsory dues fund unions’ lobbying of legislators, endorsement mailings,<sup>40</sup> phone banks, voter registration drives, and similar political activities. Employees in Pennsylvania would have to opt out of union membership to avoid having their money fund politics, and many non-members challenge union claims that their “fees” are not being used to support union politics.

In 2009-10, the PSEA spent more than \$2.6 million on political activities and lobbying. By the next year, that figure had ballooned to \$4.2 million, an increase of about 60%.<sup>41</sup> Members’ dues fund activities such as a \$22,000 gubernatorial debate video, public surveys on education initiatives such as vouchers, and advertising campaigns on public education.

One such example of “public education funding advertising” was \$574,813 spent on TeamBlue Politics, Inc.,<sup>42</sup> a lobbying firm from Washington, D.C. The firm set up a group that sounded like a grassroots Tea Party organization against new taxes, with a website called NoVoucherTax.org. The group ran a broad television, radio and blog campaign decrying vouchers in the spring of 2011, just as Pennsylvania’s legislature considered new school choice reforms. At the time, PSEA officials vociferously denied involvement with NoVoucherTax: “PSEA doesn’t know anything about it, and while we like the content, we’re not involved with it,” said the union’s spokesman, Wythe Keever.<sup>43</sup> But the union’s mandated financial reporting to the U.S. Department of Labor shows payments to TeamBlue between April and June 2011.

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<sup>37</sup> Office of Labor-Management Standards Union Search, “Form LM-2 Labor Organization Annual Report; File Number 071-060,” 2011 Report, U.S. Department of Labor, <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

<sup>38</sup> Office of Labor-Management Standards Union Search, “Form LM-2 Labor Organization Annual Report; File Number 045-254,” <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

<sup>39</sup> Thomas Ginsberg, “Fruits of Their Labor,” *Philadelphia Inquirer*, November 21, 2004, [http://articles.philly.com/2004-11-21/business/25378741\\_1\\_wendell-young-iii-national-unions-president-and-business-agent](http://articles.philly.com/2004-11-21/business/25378741_1_wendell-young-iii-national-unions-president-and-business-agent).

<sup>40</sup> Nathan Benefield, “PSEA Uses Union Dues to Support Obama,” October 29, 2008, <http://www.commonwealthfoundation.org/policyblog/detail/psea-uses-union-dues-to-support>.

<sup>41</sup> Office of Labor-Management Standards Union Search, “Form LM-2 Labor Organization Annual Report; File Number 512-989,” 2010 and 2011 Reports, U.S. Department of Labor. <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

<sup>42</sup> Office of Labor-Management Standards Union Search, “Form LM-2 Labor Organization Annual Report; File Number 512-989,” 2011 Report, U.S. Department of Labor, <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

<sup>43</sup> Tom Murse, “Group Behind NoVoucherTax.org’s Ad Campaign Remains a Mystery,” *Lancaster Intelligencer Journal*, April 27, 2011, [http://lancasteronline.com/article/local/371951\\_UPDATED--Group-behind-NoVoucherTax-org-s-ad-campaign-remains-a-mystery.html#ixzz1kga3uIvc](http://lancasteronline.com/article/local/371951_UPDATED--Group-behind-NoVoucherTax-org-s-ad-campaign-remains-a-mystery.html#ixzz1kga3uIvc).

The PSEA influences economic policy in other ways. Officials gave nearly \$36,000 in 2010-11 to the union-backed think tank Keystone Research Center,<sup>44</sup> which supports higher taxes, higher government spending, and other union-favored legislation, such as prevailing wage laws and project labor agreements (which drive up the cost of publicly funded construction), as well as measures to deny children educational options and teachers greater professional choices.<sup>45</sup>

In the last three years, PSEA member dues have paid for a number of activities supporting PACE, the union's political action committee. They included:

- A \$21,885 PACE fundraising video in 2009
- \$11,059 for PACE fundraising calls in 2010
- \$36,146 on PACE donation envelopes and pledge and enrollment forms
- \$7,316 for PACE Committee meeting expenses in 2011<sup>46</sup>

AFSCME Council 13 spent nearly \$1.6 million on political activities and lobbying in 2010-11. The figure included \$50,000 for "legislative research" at the Keystone Research Center, \$56,555 for legislative mailings, \$22,252 in "election expenses," \$25,000 on voter registration and nearly \$36,000 on lobbying legislators. Seven AFSCME employees devoted all their time to political activities and lobbying, with compensation totaling \$870,422.<sup>47</sup>

UFCW Local 1776 spent \$421,749 on reported political activities and lobbying in 2010, including \$306,417 paid to officers and employees, \$52,248 paid for political endorsement printing, and a \$25,000 contribution to the Pennsylvania AFL-CIO for political purposes. It contributed \$30,000 to UFCW Local 21 in Washington State to fight privatization of that state's government-owned liquor stores.<sup>48</sup> SEIU Local 668's reported expenditures for political activity and lobbying in 2011 equaled \$336,006.<sup>49</sup>

### **Government Subsidizes Union PAC Spending**

Each of the four unions profiled in this report have political action committees established to contribute to political campaigns of the union executives' choosing. While unions, as private organizations, have the right to donate to campaigns via PACs, they receive a unique and special privilege that no other private organization enjoys: they collect their contributions using taxpayer-funded payroll systems. Government entities such as school districts deduct PAC contributions directly from workers' paychecks and send the funds to the unions' political action committees.

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<sup>44</sup> Office of Labor-Management Standards Union Search, "Form LM-2 Labor Organization Annual Report; File Number 512-989," 2010 and 2011 Report, U.S. Department of Labor, <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

<sup>45</sup> Keystone Research Center, "Policy Ideas for Pennsylvania in the New Economy," <http://keystoneresearch.org/publications>.

<sup>46</sup> Office of Labor-Management Standards Union Search, "Form LM-2 Labor Organization Annual Report; File Number 512-989," 2010 and 2011 Report, U.S. Department of Labor, <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

<sup>47</sup> Office of Labor-Management Standards Union Search, "Form LM-2 Labor Organization Annual Report; File Number 071-060," 2011 Report, U.S. Department of Labor, <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

<sup>48</sup> Office of Labor-Management Standards Union Search, "Form LM-2 Labor Organization Annual Report; File Number 045-254," 2010 Report, <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

<sup>49</sup> Office of Labor-Management Standards Union Search, "Form LM-2 Labor Organization Annual Report; File Number 505-025," 2011 Report, Department of Labor, <http://kcerds.dol-esa.gov/query/getOrgQry.do>.

PACE, the PSEA's PAC, contributed more than \$2.3 million to state election campaigns during the 2009-10 election cycle.<sup>50</sup> According to the National Institute on Money in State Politics, 90% of these expenditures to candidates were donated to Democratic campaigns.<sup>51</sup>

AFSCME Council 13's Political Action and Legislative Committee spent \$1 million on state elections in 2009 and 2010. In 2010, it donated \$160,000 to Dan Onorato for Governor, \$55,000 to the Pennsylvania Democratic Party, and \$30,000 to Jack Wagner, the state's current auditor general who was running for governor at the time.<sup>52</sup>

The PA SEIU Cope Fund, into which Local 668 pays, contributed \$481,326 to state elections in 2009 and 2010.<sup>53</sup> UFCW 1776's PAC spent more than \$300,000 on state elections in 2010.<sup>54</sup>

While unions often reimburse government for the administrative costs of deducting PAC contributions from workers' paychecks, being able to use government payroll systems at all is a privilege that reduces union accountability. The advantage allows unions to avoid fundraising, appealing to members every election cycle, and proving their usefulness to workers.

### **How the PSEA Works Against the Best Interest of Teachers and Students**

Government union lobbying efforts—particularly those of the PSEA—frequently work to the detriment of good teachers and students. For instance, the PSEA endorses “last in-first out” policies, which require schools to lay off the most recently hired teachers, rather than the least competent. That is, the longest-serving union members keep their jobs regardless of performance, while newer teachers are marginalized, even if they teach well. The union's UniServ directors also represent members in employment-related issues, such as when a teacher is accused of being ineffective, which protects less effective instructors to the detriment of their students.

The PSEA has also adamantly opposed substantive pension reform, despite looming multi-billion dollar increases in taxpayer contributions to fund the strained Pennsylvania School Employees' Retirement System (PSERS). In 2001 and 2002, the PSEA lobbied for and secured pension improvements and cost of living increases that added \$10 billion in unfunded taxpayer liabilities. In subsequent years, when pension investments began to lose billions of dollars in value, the PSEA repeatedly sought to calm the public and legislators by claiming there was no funding crisis. The union also supported efforts to defer costs on to future generations.<sup>55</sup> Indeed, a 2007 PSEA fact sheet denied any “immediate crisis” with the

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<sup>50</sup>Campaign Finance Online Reporting, Pennsylvania Department of State, <http://www.campaignfinance.state.pa.us/pages/CFReportSearch.aspx>.

<sup>51</sup>National Institute on Money in State Politics, [http://www.followthemoney.org/database/search.phtml?searchbox=.](http://www.followthemoney.org/database/search.phtml?searchbox=)

<sup>52</sup>Campaign Finance Online Reporting, Pennsylvania Department of State, <http://www.campaignfinance.state.pa.us/pages/CFReportSearch.aspx>.

<sup>53</sup>*Ibid.*

<sup>54</sup>*Ibid.*

<sup>55</sup>Nathan Benefield, “PSEA Complicit in Pension Debacle,” February 10, 2010, <http://www.commonwealthfoundation.org/policyblog/detail/psea-complicit-in-pension-debacle>.

pension system<sup>56</sup>; by June 30, 2010, however, PSERS' unfunded liability was already \$31 billion.<sup>57</sup>

Current government collective bargaining laws have enabled government unions to drive up taxpayer costs in the form of unsustainable salary, benefit and pension increases at a time when state and local governments face significant budget shortfalls. In Gov. Tom Corbett's 2012-13 proposed budget, payment into state pension plans will increase to \$1 billion, up from \$705 million the previous year.<sup>58</sup> By 2016, projected state and school district pension payments would balloon to \$5.5 billion, an increase of more than 400% in just four years.<sup>59</sup>

The most recently negotiated state contract for AFSCME Council 13 and SEIU Local 668 adds further injury, giving workers an 11.2% pay increase over four years, and requiring minimal employee contributions to health care costs compared to what private sector workers pay.<sup>60</sup>

The PSEA has also been vocal in its fight against giving parents more school choices for their children. The union joined and funded "Pennsylvanians Opposed to Vouchers," spending dues to buy radio ads and other lobbying efforts to defeat legislation to provide poor children in low-performing schools with scholarships to attend their school of choice.<sup>61</sup> While such positions work against the best interests of children, they also harm teachers and school employees.

Today, if a teacher believes he or she is underpaid, overburdened by red tape, not respected as a professional, or otherwise treated poorly by administrators, the only real option is to leave town and move to another school district. When parents are allowed to choose, schools not only will have to compete for students, they will have to compete for teachers. As a result, there will be increased pressure on school administrators to treat teachers well or risk losing them to other schools.

Another way the PSEA's strong union power hurts students and families is through teacher strikes. Pennsylvania has the dubious distinction of being the teacher strike capital of America, continually putting students in the crossfire between teacher unions and school boards during contract negotiations. Since 2004, Pennsylvania's strikes have accounted for more than half America's public school strikes.<sup>62</sup> The Keystone State averages about 12 strikes a year since the passage of Act 88 in 1992.<sup>63</sup> In the 2009-10 school year, eight school

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<sup>56</sup> The Pennsylvania State Education Association, "PSERS Is Sound,"

[http://www.commonwealthfoundation.org/docLib/20100211\\_PSEAPSERSisSound.pdf](http://www.commonwealthfoundation.org/docLib/20100211_PSEAPSERSisSound.pdf).

<sup>57</sup> Nathan Benefield. "Understanding the Pennsylvania State Budget," March 7, 2011.

<http://www.commonwealthfoundation.org/research/detail/understanding-the-pennsylvania-state-budget>.

<sup>58</sup> Pennsylvania Office of the Budget, 2012-13 Proposed Budget Slide Presentation, <http://www.budget.state.pa.us>.

<sup>59</sup> Commonwealth Foundation, "Pennsylvania State Pension Liabilities," June 6, 2011.

<http://www.commonwealthfoundation.org/research/detail/pennsylvania-state-pension-liabilities>.

<sup>60</sup> Priya Abraham, "Disappointing Results From State Union Contract Deals," July 5, 2011.

<http://www.commonwealthfoundation.org/policyblog/detail/disappointing-results-from-state-union-contract-deals>.

<sup>61</sup> Pennsylvanians Opposed to Vouchers, <http://www.paopposedtovouchers.org/>.

<sup>62</sup> Pennsylvania School Boards Association, <http://www.psba.org/lib/images/SLNews/2010salarystudy-chart8.jpg>.

<sup>63</sup> Pennsylvania School Boards Association, <http://www.psba.org/lib/images/SLNews/2010salarystudy-charts1-2.jpg>.

strikes by teachers and employee unions **affected 34,900 children's classroom education.**<sup>64</sup>

Consequence-free teacher strikes allow union officials to bargain for hefty compensation packages that school districts simply cannot afford. The current system punishes working families during strikes, as they must finance unanticipated childcare for an unknown time. And if the school board approves a more generous contract, parents also face higher property taxes, and the inconvenience of make-up exams and a delayed school year.

### **How to Rebalance Union Power in Favor of Taxpayers, Children, and Employees**

Freedom of association is a constitutionally protected right that should not be violated. In the private sector, employees should retain the right to voluntarily join a union and bargain collectively. In the public sector, however, unions have secured special privileges and powers that threaten not only taxpayers and school children, but government employees themselves. To restore the balance of power to taxpayers, children, and employees, state lawmakers should:

**Prohibit taxpayer-funded collection of union income:** Deductions of dues, fees, and political contributions by government agencies at taxpayers' expense give unwarranted financial and political preference to private organizations such as unions. Prohibiting governmental units from deducting union dues, fees, or political contributions from workers' paychecks would protect taxpayers from having their taxes used to support organizations that work against their best interest. Further, eliminating such deductions would empower workers to choose freely whether or not to support union activities, and make unions more accountable to workers.

**Voluntary association:** If government workers do not wish to be represented by a union, no portion of their paycheck should go towards covering the supposed costs of that union's activities. Such laws infringe on workers' freedom of association. Let workers decide what professional organizations, if any, they want to support with their salaries. Likewise, unions should not be forced to represent any employee who does not pay dues or fees to the union, which adequately addresses the unions' "free rider" concern.

**End union monopolies:** Under Pennsylvania's Public Employe Relations Act, the approval of only 30 percent of the workers in a government unit is necessary to make a union the "exclusive representative of **all** the employes in such unit to bargain on wages, hours, terms and conditions of employment" (emphasis added).<sup>65</sup> This provision gives a single union virtually unchecked power over the entire workforce. Workers should be allowed to choose representation from multiple unions, or no union representation at all.

**Require union re-certification:** Another measure that would protect workers and moderate union power is requiring a government unit to re-certify its union—in which workers elect the union as their representative—whenever an employee contract is up for renewal.

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<sup>64</sup> Pennsylvania School Boards Association, <http://www.psba.org/issues-advocacy/issues-research/contracts-strikes/school-employee-strikes.asp>.

<sup>65</sup> Pennsylvania Department of Labor and Industry, Public Employe Relations Act, <http://www.portal.state.pa.us/portal/server.pt?open=514&objID=552991&mode=2>.

**Require open contract negotiations:** Government officials negotiate contracts with public sector employees that typically span three or four years behind closed doors. Because taxpayers fund the wages and benefits of government workers, such negotiations should be open to the public. As it is, taxpayers often learn they are on the hook for generous salary and benefit increases only after the fact.

Teachers in Neshaminy School District, for example, are some of the best-paid in Pennsylvania. Their base salaries range from about \$43,000 to nearly \$96,000, they receive a \$27,500 bonus upon retirement, and taxpayers pay 100% of the teachers' health insurance premiums (with no employee contributions). Yet the Neshaminy Federation of Teachers has embroiled the school board in a years-long, nasty battle to increase its generous pay and benefits, which the deficit-hit district simply cannot afford.<sup>66</sup> Open negotiations would reveal unreasonable union demands early in the contract process and create greater accountability to taxpayers.

**Prohibit forced political speech:** In Pennsylvania, union members who do not want their dues to be used for political activities must leave the union and become fee payers. Rather, unions should obtain explicit permission of members, that is, public employees, to use dues for political purposes.<sup>67</sup> Such permission comes in the form of paycheck protection laws, which six states have enacted. The U.S. Supreme Court has recognized that employees are entitled to be reimbursed when unions use dues for political purposes without their written consent.<sup>68</sup>

**Enact right-to-work legislation:** No one should be forced to join any organization against their will. Even Samuel Gompers, the father of the modern American labor union movement, opposed compulsory unionism. He said, "I want to urge devotion to the fundamental of human liberty—to the principles of voluntarism. No lasting gain has ever come from compulsion. ... [T]he workers of America adhere to voluntary institutions in preference to compulsory systems which are held to be not only impractical, but a menace to their rights, their welfare and their liberty."<sup>69</sup>

Right-to-work legislation does not deny employees the ability to unionize and collectively bargain. Indeed, workers would still be free to join a union, pay dues and collectively bargain. But employees would also be allowed to bargain individually and not be forced to pay dues or fees in order to keep their jobs.

Aside from respecting the freedom of association (as well as the freedom not to associate), right-to-work legislation has economic benefits as well. Thirteen of the top-15 states for economic outlook in 2011 were right-to-work states. By contrast, 13 of the bottom 15 states were all compulsory-union states. Right-to-work states also see higher domestic inter-state migration than forced-union states.<sup>70</sup>

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<sup>66</sup> Get Real Neshaminy!, "Budget Crunch: Know Your Numbers," [http://www.getrealneshaminy.com/neshaminy\\_budget.htm](http://www.getrealneshaminy.com/neshaminy_budget.htm).

<sup>67</sup> Alliance for Worker Freedom, "Paycheck Protection," <http://workerfreedom.org/Paycheck-Protection-a2789>.

<sup>68</sup> Michael Reitz, "Paychecks Unprotected," *Labor Watch* (January 2006), <http://www.capitalresearch.org/pubs/pdf/LW0106.pdf>.

<sup>69</sup> Matthew Brouillette, "The Teacher's Menace: Compulsory Unionism," March 29, 2005, <http://www.commonwealthfoundation.org/research/detail/the-teachers-menace-compulsory-unionism>.

<sup>70</sup> Arthur B. Laffer *et al.*, *Rich States, Poor States, 4th Edition: ALEC-Laffer State Economic Competitiveness Index*, American Legislative Exchange Council, 2011.

According to the National Institute for Labor Relations Research, employment growth is consistently stronger in right-to-work states. Between 2000 and 2010—despite an extended global recession—right-to-work states experienced job growth of 0.3%, compared to a decline of 5.5% in forced-union states, and a 3.3% decline nationally. And despite union leaders' claims that workers in right-to-work states earn less, their annual compensation is \$1,000 higher and disposable income is almost \$2,000 higher than in forced union states when adjusted for cost of living.<sup>71</sup>

**Limit collective bargaining privileges to the private sector:** Collective bargaining provides public sector unions too much control over government functions and practices when it mandates performance standards, work rules, and employee benefits. Although the American labor union movement began in the private sector in the late 1860s, the unionization of government employees wasn't legally permitted in Pennsylvania until 1970. For more than a century, even union-friendly leaders like Franklin Delano Roosevelt and private-sector labor union leaders themselves argued that collective bargaining wouldn't work in the public sector.

In 1937, Roosevelt said “the process of collective bargaining ... cannot be transplanted into public service” because a strike by government employees was “unthinkable and intolerable.”<sup>72</sup> AFL-CIO president George Meany said in 1955, “It is impossible to bargain collectively with the government.”<sup>73</sup> And in 1959—the same year Wisconsin became the first to allow state public employees to unionize—the AFL-CIO Executive Council declared, “In terms of accepted collective bargaining procedures, government workers have no right beyond the authority to petition Congress—a right available to every citizen.”<sup>74</sup>

Opposition to allowing employees in the public sector to unionize stemmed from the recognition of the important differences between the public and private sectors. Private-sector unions bargain over how much unionized employees should share in the profits of a business. Profits are limited, and the existence of competition from others moderates unreasonable demands for higher wages and benefits.

Taxpayers stand to save billions of dollars by limiting or eliminating collective bargaining privileges. According to the Goldwater Institute, union density is a strong proxy for union bargaining power. Goldwater researchers found in a 50-state comparison that Pennsylvania could save \$2.4 billion if union membership among government workers dropped by 50%.<sup>75</sup>

Government, on the other hand, earns no profits, and has no competition. It is a monopoly. Therefore, public-sector unions—gaining a monopoly over the government

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<sup>71</sup> National Institute for Labor Relations Research, “Right to Work States Benefit From Faster Growth, Higher Real Purchasing Power—2011 Update,” October 2011, <http://www.nilrr.org/files/NILRR%20FACT%20SHEET%20RTW%20States%20Benefit%202011.pdf>.

<sup>72</sup> Franklin Delano Roosevelt, “112 - Letter on the Resolution of Federation of Federal Employees Against Strikes in Federal Service,” August 16, 1937, <http://www.presidency.ucsb.edu/ws/index.php?pid=15445#axzz1ckEL7Hc0>.

<sup>73</sup> George Meany, “Meany Looks Into Labor's Future,” *The New York Times Magazine*, December 4, 1955.

<sup>74</sup> James Sherk, “F.D.R. Warned Us,” *The New York Times*, September 16, 2011, <http://www.nytimes.com/roomfordebate/2011/02/18/the-first-blow-against-public-employees/fdr-warned-us-about-public-sector-unions>.

<sup>75</sup> Nick Dranias *et al.*, “Save Taxpayers Tens of Billions of Dollars: End Government Sector Collective Bargaining,” Goldwater Institute, January 24, 2012, <http://goldwaterinstitute.org/sites/default/files/12-01%20Collective%20Bargaining%20PDF.pdf>.



workforce—can only negotiate over tax dollars. And the lack of competition allows public-sector unions the power to deprive citizens of essential government services, such as public safety, mass transit, and education, when union demands are not met at the bargaining table. In addition, taxpayers are responsible for making up the difference in cost incurred by collective bargaining on behalf of public employees.<sup>76</sup>

Twenty-six states, including Pennsylvania, grant collective bargaining power to all government employee unions. Twelve states grant collective bargaining for some types of government employees, and twelve grant no general collective bargaining power for government worker unions at all.<sup>77</sup>

Many states limit collective bargaining powers to salaries, or salaries and benefits, rather than a number of provisions that—in the case of government unions—have the effect of law. Allowing unions to bargain for more than employee wages gives them undue influence over the day-to-day workings of state and local governments. Bargaining can be limited to wages, benefits, health care or any combination of options. Granting local governments the decision to bargain collectively with public sector unions would also increase taxpayer influence and government accountability.

Data suggest that organizing public employees into collective bargaining units does not necessarily serve to increase their wages. After accounting for the cost of living and taxes, average weekly earnings in states with higher levels of union organization are lower than states with less organization.<sup>78</sup> All the while, union bosses maintain high salaries and enjoy various benefits. Taxpayers lose too—the same study found that high union states tend to have higher taxes, which may owe to the fact that unions themselves lobby for higher taxes and support public officials who approve higher taxes.

**Enact Pension Reform to Control Rising Costs.** Besides eliminating the ability to bargain collectively over benefits, lawmakers should also remove politics from pensions. New government workers should be put on defined contribution plans similar to the 401(k) plans private sector workers receive, rather than the costly defined benefit systems currently in place. This provides retirement benefits that are affordable, predictable and current.

## Conclusion

As shown, Pennsylvania's government unions wield tremendous influence and advance policies that harm the commonwealth's taxpayers, children, and even their own members. While freedom of association involves allowing workers to organize into a union, it also means workers should be free not to join a union at all and still keep their jobs.

Taxpayer-funded automatic dues, fee, and political contribution deductions give Pennsylvania's government unions unprecedented political power while harming the rights and well-being of ordinary union members. The special privileges given to government union bosses result in public policies that drive up taxpayer costs and stifle educational opportunities for students.

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<sup>76</sup> Paul Kersey, "Reconsidering Michigan's Public Employment Relations Act," Mackinac Center for Public Policy, 2011, <http://www.mackinac.org/archives/2011/S2011-02FinalWEB.pdf>.

<sup>77</sup> Josh Barro, "What's Next in Wisconsin," The Corner, entry posted March 10, 2011, <http://www.nationalreview.com/corner/261815/what-s-next-wisconsin-josh-barro>.

<sup>78</sup> Public Service Research Foundation, "Does Unionism Mean Higher Earnings or Higher Taxes?," <http://www.psrff.org/issues/taxes.jsp>.

Common-sense reforms, like those adopted in other states, would force unions to become more accountable to union members while respecting worker rights. These reforms include ending government payroll deduction for union coffers, passing paycheck protection laws, suspending prevailing wage mandates for local governments, limiting collective bargaining for government unions, and passing a right-to-work law. These reforms will protect the rights of teachers, state workers and local government employees while better serving taxpayers and school children.

#### **ABOUT THE AUTHORS & THE COMMONWEALTH FOUNDATION**

Priya Abraham is a senior policy analyst and Cara Dochat a research fellow with the Commonwealth Foundation.

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225 State Street, Suite 302 | Harrisburg, PA  
717.671.1901 phone | 717.671.1905 fax  
[CommonwealthFoundation.org](http://CommonwealthFoundation.org)