



National _____
RIGHT TO WORK
_____ *Committee*

GOVERNMENT UNION
BARGAINING IN VIRGINIA

JUST SAY NO

Bad For Taxpayers
Bad For Employees
Wrong For Virginia



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RIGHT TO WORK
_____ *Committee*

NATIONAL RIGHT TO WORK COMMITTEE

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JUST SAY NO

TO GOVERNMENT UNION BARGAINING IN VIRGINIA

“The very nature and purposes of Government make it impossible for administrative officials to represent fully or to bind the employer in mutual discussions with Government employee organizations.”

- President Franklin D. Roosevelt, 1937



In our Republic, all citizens have a right to petition their elected officials for redress of grievances, but no one should have special access to decisions over spending public funds, which monopoly bargaining grants union officials.

Monopoly bargaining grants government union bosses a stranglehold over public services, hurts quality and efficiency and harms both workers and taxpayers.

Virginians of both political parties have long recognized this reality, which is why Democrat Governor Doug Wilder signed a ban on government union monopoly bargaining in 1993.

Unfortunately in the 2020 session, Big Labor managed to narrowly ram through legislation repealing the ban and instead requiring local governments to hold votes on enacting local union monopoly bargaining ordinances.

Given the inherent economic and social dangers associated with public sector monopoly bargaining, it is vital local governments reject ordinances that authorize public sector monopoly bargaining.

PUBLIC SECTOR FORCED UNIONISM **UNDERCUTS LEGISLATORS' FUNDAMENTAL** **DUTY TO SET A BUDGET**

“[T]o the extent that public employees gain power through recognition and collective bargaining, other interest groups with a right to a voice in the running of the government may be left out of vital political decisions.”

*- U.S. District Court for North Carolina,
Atkins v. Charlotte, NC*

As destructive as monopoly bargaining is in the private sector, it's even more dangerous when this power is granted to government union officials.

That's because, unlike in the private sector, dissatisfied purchasers and consumers of public services cannot easily take their business elsewhere, and government union officials have the unique ability to “elect their bosses” and extract unsustainable contract terms.

This flies in the face of the Founding Fathers' vision of a representative government, where everyone has an equal right to petition government for redress of grievances, and where the people, through their elected representatives, are sovereign.

Additionally, public school boards, police and fire departments and other government agencies don't face market pressures as in the private sector because they have a monopoly on most services they provide, which removes a major brake on out-of-control spending.

Furthermore, union monopoly bargaining means that, by necessity, major decisions related to spending taxpayer money are moved behind closed doors and away from the ability of other stakeholders to have any input at a public hearing or in some other venue.

For most local and state governments, personnel are the single biggest line item, yet monopoly bargaining means taxpayers don't get to voice their opinion in the decision-making process.

The fact is, public sector union monopoly bargaining empowers Big Labor to gain effective control over government, which should be by, for and of the people -- it represents a fundamental assault on our form of government.

MONOPOLY BARGAINING HURTS TAXPAYERS

“From my experience these last six years on City Council, I do not think it is in the community’s best interests, certainly not the taxpayers’ best interests, to have collective bargaining by police and firefighters.”

-Beto O’Rourke, 2011

By giving union officials a unique privileged position of being able to bind governments and compel spending, government sector unionism drives up the cost of government and imposes inflexible contract terms that make crisis management virtually impossible.

In the 2010-2011 fiscal year, in the depths of the Great Recession, the City of Miami faced a \$140 million deficit on its \$500 million budget, which led it to declare a “financial urgency” and change its police union contract.

Police union bosses sued, claiming the city had failed to raise taxes, lay off non-union employees and put in traffic cameras. The Florida Supreme Court ultimately agreed, throwing out the city’s changes.

Years ago, the Heritage Foundation found that government union monopoly bargaining for state and local workers adds \$3,000 to the tax burden of each family of four in a state that adopts it.

Additionally, the Civitas Institute in North Carolina estimated that authorizing monopoly bargaining covering state employees there would cost taxpayers in the Tar Heel State more than \$500 million per year.

Meanwhile the Maryland Department of Fiscal Analysis estimated \$1.3 to \$1.4 million in “process costs” for only 12 bargaining units of state employees before Maryland passed monopoly bargaining.

Of course, passing monopoly bargaining statewide creates hundreds if not thousands of bargaining units, meaning millions and millions of dollars going exclusively to the cost of negotiating and administering union contracts, instead of being spent on actual government services.

So it should come as no surprise that the 16 states with the highest tax burden as a share of state income all have union monopoly bargaining for the entire government sector -- ultimately union officials and their pet politicians say, “You scratch my back, I scratch yours, and to heck with the taxpayers!”

“City staff said collective bargaining will have a significant financial impact on the City, which concerns some taxpayers. The cost of increased wages and benefits if Alexandria City Public Schools employees is [sic] included could go as high as \$22 million with the cost of administration reaching up to a million dollars a year. It could also have an effect on the city’s AAA bond rating”

-Alexandria Living Magazine

MONOPOLY BARGAINING HURTS GOVERNMENT SERVICES

“The union strength variable . . . has a substantial and statistically significant negative relationship with student achievement Presumably by opposing the removal of underperforming teachers, opposing merit-based pay, or because of union work rules.”

- Stan Leibowitz and Matthew L. Kelly

By introducing wasteful work rules and job featherbedding, and making it virtually impossible to fire incompetent or corrupt workers, union monopoly bargaining harms public services.

As longtime American Federation of Teachers chieftain Al Shanker admitted, “I don’t see a voice for students in the bargaining process; I think it’s one of the facts of life . . . It’s very much like a strike, let’s say, or negotiations in the private sector. The consumer, basically, is left out.”

In the end, despite their rhetoric, today’s union officials have a vested interest in opposing attempts to root out waste or improve service unless it involves throwing more money at payroll costs.

After school officials in California closed schools because of the coronavirus, teachers union bosses fought attempts to implement distance learning during the COVID-19 pandemic while joining other teachers union bosses nationwide in fighting attempts to reopen schools, meaning they are advocating for teachers statewide to be paid to do literally nothing.

At the same time, according to its most recent resolutions, the NEA Union opposes “performance pay schedules, such as merit pay or any other system of compensation based on an evaluation of an education employee’s performance.”

And because even the best and most productive workers have to accept the union-negotiated contract with no hope of anything better, there is no real incentive for government workers to go the extra mile.

In Illinois, state pension and retiree healthcare debt hit \$200.3 billion in May 2020, according to *Truth in Accounting*. As a result, Forbes reported in February 2020 that the state had a \$7 billion backlog in unpaid bills, and vendors to the state have been waiting 19 months to be paid.

Meanwhile, all that money going to fill the pension hole and pay past-due bills is money that can’t be spent on roads, schools and public safety. And with the fourth-highest state and local tax burden, raising taxes will just drive more people out.

GOVERNMENT UNION BARGAINING DRIVES STATES TO THE BRINK OF BANKRUPTCY

The lavish and unsustainable benefits union boss-dominated politicians have given their political patrons have been the primary driver of bankruptcies and near-bankruptcies in Detroit, Connecticut and Illinois, while unsustainable public employee pension debt and inflexible government union contracts threaten to drive a number of other states into the same position in the wake of COVID-19.

In fact, according to the Tax Foundation, the 10 states with the highest debt per capita all have public sector monopoly bargaining for the entire government sector, and because of inflexible union contracts, these states have far less flexibility in managing their fiscal crisis.

“Tucked away inside Fairfax County Executive Bryan Hill’s proposed fiscal 2022 budget is this charming nugget: The county government, he said, will need \$960,000 and six new staff positions for ‘upcoming collective-bargaining endeavors’ One presumes the roughly million dollars being sought is just to get the ball rolling; millions more will either be siphoned away from necessary programs, or siphoned out of taxpayer wallets, as this shebang gets ramped up.”

- Sun Gazette Newspapers, March 4, 2021

UNION MONOPOLY BARGAINING FORCES INDIVIDUAL WORKERS TO ACCEPT REPRESENTATION THEY MAY NOT WANT

“Union officials “do have substantial latitude to advance bargaining positions ... that run counter to the economic interests of some employees.”

*- Then-California Attorney General
Kamala Harris, 2015*

Every worker should have the right to choose his or her own representation -- even a convicted criminal retains this right.

Under monopoly bargaining, individual workers are forced to accept so-called “union representation” whether they want to or not.

These workers are thrown into union boss-dominated grievance processes -- in fact, monopoly bargaining makes it effectively impossible for individual workers to resolve grievances on their own.

Furthermore, contrary to union boss propaganda, many workers don't benefit from union boss-negotiated pay scales.

Highly motivated young employees are capped out by seniority-based compensation systems, while union officials categorically oppose any attempt to offer merit pay or other incentives.

For example, the NEA sued the Crete School District in Nebraska for giving 10-year professional carpenter Matthew Hintz a \$2,350 annual bonus over his contractual starting salary of \$21,650 for teaching shop.

The district fought to provide the permanent bonus because Mr. Hintz, the only qualified applicant, required a minimum salary of \$24,000.

The Nebraska Supreme Court agreed with the NEA and ordered Mr. Hintz's salary be cut, and the *Omaha World-Herald* reported that NEA lawyer Mark McGuire hailed the case as a "victory for collective bargaining."

Indeed, according to their own Policy Resolutions, the NEA Union "opposes providing additional compensation to attract and/or retain education employees in hard-to-recruit positions."

PROVISIONS TO STRONGLY OPPOSE IF YOUR COLLEAGUES CAN'T SAY NO

Of course, while government sector monopoly bargaining is fatally flawed and cannot be fixed, there are a number of provisions in ordinances union officials are virtually certain to demand that make a bad thing worse.

First, and most damaging to taxpayers, union officials will likely demand binding arbitration over contract impasses, which removes the final decision over budget matters from elected officials and gives that decision to unelected arbitrators.

Of course, Maine Governor Janet Mills (D) noted in 2019 that binding arbitration “is contrary to the principle of representative democracy that the people through their elected and appointed representatives control the raising and expenditure of public monies.”

But more practically, binding arbitration has proven ruinous to taxpayers.

Big Labor has far more to gain from binding arbitration than citizens or public employers. Decisions are “win-win” for the union bosses since they will never get a settlement worse than the public employer’s last best offer.

And often this happens regardless of ability to pay.

The City of Scranton, PA was forced to sell its sewer system to comply with a court order after an arbiter's award jacked up police and firefighter pensions as much as 80%, despite the city losing 27% of its population since 1970.

Or in Iowa, union bosses demanded a budget-busting 16% pay raise from then-Governor Terry Branstad.

A "neutral" arbiter sided with Big Labor and awarded the workers the full increase with little care for the fiscal implications of the ruling. The legislature refused to accept the agreement because the funds simply did not exist.

But then came the bigger problem -- the Iowa Supreme Court ordered the legislature to raise taxes to cover this new expenditure. This 16% wage increase resulted in a 25% hike in the state sales tax and 5,000 government employees being fired.

Control over budgets should be left in the hands of the people's proper representatives, not to the whims of disinterested arbiters and judges.

Second, union officials will almost certainly demand so-called “Card Check” recognition.

Under “Card Check,” union officials are empowered to intimidate, harass or deceive workers one-on-one -- or three-on-one -- into signing so-called “union authorization cards.” Once more than half of the workers in a potential bargaining unit have signed, the union is recognized without a secret-ballot election.

As might be expected, this has led to abuse where it’s been tried.

For example, in one private sector case, Spanish-speaking workers at the MGM Grand Hotel in Las Vegas were threatened with deportation if they refused to sign a union card, while others were told by union organizers that they should sign just to get “information.”

In fact, the AFL-CIO’s Guidebook for Union Organizers noted that, “pledge cards are at best a signifying of interest at a given moment. Sometimes they are signed to ‘get the union off my back’. . . . Whatever the reason, there is no guarantee of anything in a signed NLRB pledge card. . . .”

If union officials are going to have governmental power to impose their representation on workers, at a bare minimum, those workers should have the basic protections of a secret-ballot election.

As a related point, union officials will demand a number of provisions designed to circumvent the U.S. Supreme Court's *Janus* decision, which states that public employees have a First Amendment right to work without paying tribute to a union boss.

These range from mandating "opt-out windows" that make it virtually impossible for workers to leave an unwanted union to granting union officials mandatory access to new hires and exclusive access to employees' personal information.

But the most insidious is a so-called "fee for grievance" scheme which guts workers' Right to Work protections by setting up something akin to a protection racket.

Under "fee for grievance," union bosses instigate workplace discrimination to force non-union workers into a complicated, virtually un navigable grievance process designed and controlled by union bosses so they can then demand money for their "services."

Additionally, union bosses are certain to demand government-financed payroll deduction of union dues, which sets up government as Big Labor's collection agency while eliminating the need for union officials to ask for workers' support.

Finally, union bosses will no doubt demand so-called “official time” in which union officials are paid by government to lobby and electioneer.

This already happens in Virginia -- Fairfax County Public Schools paid \$5.8 million in 2016 for “organizational leave” to teachers union officials -- but the introduction of monopoly bargaining threatens to entrench the practice at great expense to taxpayers.

In summary, the best option is to reinstate the state ban on public sector monopoly bargaining. The second best option is to **JUST SAY NO** to passing bargaining ordinances. To do otherwise amounts to preemptive surrender.

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FOR MORE INFORMATION PLEASE CONTACT

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The National Right to Work Committee is a nonprofit, nonpartisan, single-purpose citizens' organization dedicated to the principle that no worker should be forced to join or pay dues to a labor union in order to get or keep a job -- a belief shared by more than eight in ten Americans.

As part of a coalition of 2.8 million workers, small business owners and freedom-loving Americans, National Right to Work Committee members bring the power of grassroots pressure to bear on their elected officials in Congress and all 50 state legislatures.

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