

control over budget and spending policy of state governments. Collective bargaining combined with political activity, enables unions to act as unelected government officials who lobby and negotiate for more government jobs and greater government employee pay and job security.

The gains that unions have made in the government sector are bankrupting states and municipalities. Government employees' lavish compensation, unsustainable retirement benefits, and ironclad job security put enormous financial burdens on the taxpayer. Government workers, on average, earned 46 percent more in salary and benefits during the past decade than did similar workers in the private sector. States that have long provided strong collective bargaining privileges to government employee unions today have high rates of union density and unsustainable pension liabilities. New Jersey, Massachusetts, Rhode Island, Connecticut, and New York all have union density rates of 55 percent or higher in the government sector. The high union density rates lead to some of the highest liabilities for government employee retirement funds.

Government employee unions' are a relatively recent phenomenon. Until recently, even strong union advocates dismissed the notion of public sector unionism. President Franklin Delano Roosevelt once wrote, "All Government employees should realize that the process of collective bargaining, as usually understood, cannot be transplanted into the public service....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. The employer is the whole people, who speak by means of laws enacted by their representatives in Congress."

Former AFL-CIO President George Meany put it more bluntly: "It is impossible to bargain collectively with the government."

Paycheck Protection

Most of union bosses' power comes from their ability to collect compulsory dues from employees in order for them to keep their jobs. The dues payments are used to lobby for union leaders' preferred political agenda: bigger and more expansive government. For many union members, this means that their dues go to promote political agendas they do not support. Paycheck protection laws help to curb this undemocratic practice by requiring union bosses to obtain written consent from union members before they can use their dues for political activity.

Government employee unions' spending is massive. The American Federation of State, County and Municipal Employees (AFSCME) was the largest outside spender in the 2010 election cycle. On its list of top all-time political donors, the Center for Responsive Politics lists AFSCME second. The National Education Association (NEA) fifth, the Service Employees International Union (SEIU) sixth, and the American Federation of Teachers (AFT) 10th. In short, government-sector unions constitute a permanent, well-funded, self-supporting lobby for bigger government, funded mostly from forced dues.

Secret Ballot Elections and Card Check

The secret ballot is a bedrock principle of democracy. The use of the secret ballot in union elections is paramount to maintaining employee rights. However, those rights are not protected like they are in elections for government officials. Big Labor's preferred method of elections is card check. This circumvents the secret ballot by allowing a union to be certified for a group of workers by getting a majority of them to sign union cards. Card check occurs publically and usually in the presence of union organizers, which opens the door to coercion and intimidation.

Binding Arbitration

Binding arbitration is the process by which the unilateral decision of an unelected bureaucrat can determine the compensation and conditions of government employment. Some states mandate binding arbitration when collective bargaining negotiations reach an impasse. This policy usurps voters' right to have the final say on how their state and local governments spend tax dollars.

Binding arbitration allows union negotiators to submit unreasonable offers in the hope that an arbitrator will make concessions to labor, as is often the case. In many cases elected officials have no power to overturn the arbitrator's decisions, thus thwarting the electorate's will.

Open Meetings Laws

Open meetings laws give the public accessibility to government sector collective bargaining negotiations, in order to hold both union officials and state negotiators accountable to the taxpayer. By enforcing transparency, open meetings laws limit the harmful aspects of collective bargaining and binding arbitration.

An informed citizenry versed in the workings of government is needed to ensure the proper use of tax dollars. Currently, however, only 11 states provide access to government sector collective bargaining sessions.

Public Employee Pension Underfunding

Pension underfunding is the amount each state government owes to fulfill its pension commitments to its employees. Collective bargaining, binding arbitration, and elected officials' appeasement of union officials have led to an epidemic of unfunded state pension liabilities across the nation. According to a recent study by the Pew Center for the States, 31 states are below the 80-percent threshold needed for a pension system to be considered well funded. This debt directly affects taxpayer; as those states will require a tax increase of \$1,000 or more per household to fully fund their pension systems if they make no other policy changes.

Project Labor Agreement Bans

Project labor agreements (PLAs) are government construction contracts steered to unionized construction firms. This practice eliminates fair and open competition. Under a PLA, a construction firm must agree to sign a union collective bargaining agreement, whether it is unionized or not, before it can bid on a government construction project. PLAs cost taxpayers. They can increase government construction costs by up to 18 percent.

Strike Policy

Government sector unions' right to strike is detrimental to the free flow of commerce and maintenance of public services. Lack of strike prohibitions allow union officials to hold the taxpayer hostage by threatening the withdrawal of essential government services. When public safety employees are allowed to strike it endangers all citizens. This allows the union to gain generous concessions from government officials that end up creating unsustainable contracts which often lead to state budget strains.

Taken together these criteria can illustrate which states favor taxpayers or continue to handout favors to Big Labor. The index is an excellent way for citizens across the country to learn where their political leaders stand. The index is already having an impact. Think tanks and policy makers across the country are using it to share ideas about how to improve their states' labor policies.

Want to know how Montana stacks up? They rank 25 out of 50 states. See next page for details.



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| Pension Liability | Total \$10.2 billion⁶ - Per household \$872¹ |
| Union Membership Density: | <ul style="list-style-type: none"> • Total-12.7% • Private Sector-5.6% • Public Sector-41.4% |
| Right to Work: | <ul style="list-style-type: none"> • Forced unionism |
| Government Sector Collective Bargaining Laws: | <ul style="list-style-type: none"> • Police/Fire: Collective Bargaining for Public Employees (Title 39, Ch 31, sections 301-312) • State: Collective Bargaining for Public Employees (Title 39, Ch 31, sections 301-312) • Education: Collective Bargaining for Public Employees (Title 39, Ch 31, sections 301-312) • Municipal: Collective Bargaining for Public Employees (Title 39, Ch 31, sections 301-312) |
| Paycheck Protection Law: | <ul style="list-style-type: none"> • No provision |
| Secret Ballot Protection: | <ul style="list-style-type: none"> • No provision |
| Forced Card Check: (Good for Unions) | <ul style="list-style-type: none"> • Senate Bill 254 |
| Government Sector Binding Arbitration Provisions (Good for Unions) | <ul style="list-style-type: none"> • State: No Provision • Police: Montana Code Title 39, Ch. 34, Section 101 • Fire: Montana Code Ch. 39, Ch. 31, Section 503 • Teacher: No Provision |
| Public Access to Government Bargaining Sessions: (Good for taxpayers) | <ul style="list-style-type: none"> • MONT CODE ANN § 18-4-304 (Open Meeting Law) |
| Project Labor Agreement Bans: (Good for taxpayers) | <ul style="list-style-type: none"> • Montana Code Title 18, Chapter 2, Section 425 |
| Government Employee Strike Policy: | <ul style="list-style-type: none"> • State: (Permitted) Montana Code Title 39, Ch. 31, Section 201 • Police: (Prohibited) Montana Code Title 39, Ch. 31, Section 501 • Fire: (Prohibited) Montana Code Title 39, Ch. 34, Section 105 • Teachers: (Permitted) Montana Code Title 39, Ch. 31, Section, 201 |