



TESTIMONY

April 14, 2015

RESTORING ACCOUNTABILITY IN GOVERNMENT LABOR RELATIONS

By John Wright

Testimony Before the General Laws and Pensions Committee

To the Honorable Members of this Committee:

My name is John Wright, and I work as a policy researcher for the Show-Me Institute, a nonprofit, nonpartisan Missouri-based think tank that supports free-market solutions for state and local policy. The ideas presented here are my own. This testimony is intended to state my opinion about the proposals in this bill regarding government union reform based on research that I have conducted at the Show-Me Institute.

Missouri could benefit from government union reform. Existing law contains a set of loopholes and oversights that harm the transparency of our public institutions and make it harder for citizens to hold their government accountable. Missouri Senate Bill 549 (SB 549) proposes four common-sense reforms

addressing these issues. First, it proposes union elections that would give government workers a voice. Second, it fixes loopholes that allow public bodies to hold collective bargaining sessions behind closed doors. Third, it brings government union financial transparency up to the same level as private-sector unions. Finally, it prevents government entities from entering into union contracts that never expire. These reforms are intended to make government entities more responsive to the public while preserving the voices of workers.

First, the bill regulates government union elections. Under existing law, once a union becomes the exclusive representative for a group of government employees, it can be very hard for these employees to choose a new representative or forgo union

ADVANCING LIBERTY WITH RESPONSIBILITY
BY PROMOTING MARKET SOLUTIONS
FOR MISSOURI PUBLIC POLICY

representation altogether. Inertia not only works against choosing a new representative, but employees need to organize and receive permission in order to vote on removing a union.¹ Employees may be subject to union representation for years without ever getting the chance to affirmatively vote for the union that represents them. In some cases, labor agreements even prevent employees from acting to remove a union from power.²

This bill would give workers a say in who represents them by requiring a union that wants to remain the exclusive representative for a group of public employees to stand for re-election every two years. With this reform, *all* workers would have the chance to vote for their representative in democratic elections.

Second, the bill opens government collective bargaining sessions to the public. Due to a legal loophole, government agencies often treat collective bargaining sessions with government unions as exempt from Missouri's Open Meetings and Records Law. The attorney general has issued an opinion arguing that closing these meetings is legal.³ In collective bargaining meetings, government agencies and the unions representing their employees often discuss and decide important policies such as salaries, benefits, and work rules. These policies affect public finances and services delivered to the public.

The Open Meetings and Records Law should be amended to prevent government agencies from closing off collective bargaining sessions. Missourians have a right to attend government meetings and view

government records. Opening the collective bargaining process is responsible public policy.

Third, the bill requires government unions to make public financial filings. Federal law already requires all private-sector unions and unions representing federal employees to make annual financial filings.⁴ These filings, called "LM" filings, disclose a union's financial information, including assets, liabilities, and money spent on political activities. The federal government makes these filings publicly available and freely searchable online. Unfortunately, Missouri has not enacted similar requirements for its government unions.

This bill would require government unions to disclose their finances in an annual filing very similar to the LM filings that private-sector unions already make. It would allow workers and the public to see how government unions spend taxpayer-funded union dues. Government unions should be *at least* as transparent as private-sector unions. Bringing government union transparency up to the same level as private-sector union transparency, like this bill does, is simply common sense.

Finally, the bill prevents a government union contract from containing an evergreen clause. A collective bargaining agreement sometimes includes a clause specifying that its provisions will remain in effect until both parties agree to a new contract.⁵ These clauses are called "evergreen clauses" because they can bind their parties forever. Evergreen clauses are problematic because they create a situation where compensation and

other benefits can be ratcheted up in the union's favor when public agencies are flush with cash but are unlikely to be reduced when circumstances change.

It is bad policy to allow a government union to win a sweetheart deal with taxpayers that can never be altered unless the union agrees to the changes. In fact, it's a recipe for disastrous and unsustainable public finances. Government agencies require flexibility to function well. This bill would limit government union contracts to a duration of two years, banning evergreen clauses and restoring flexibility to our public agencies.

There are many other measured, common-sense reforms that would increase accountability and improve government labor relations. The package presented by SB 549 contains just a few of the most crucial reforms. The reforms presented today would be a positive change for our state.

John Wright is a policy researcher at the Show-Me Institute.

NOTES

1. 8 CSR 40-2.040.
2. See St. Louis Board of Education Policy Statement, July 1, 2004, to June 30, 2008, 28.
3. See Opinion No. 83-2009, Missouri Attorney General, April 16, 2009.
4. See United States Department of Labor, Office of Labor-Management Standards, Form LM-2 Labor Organization Annual Report, <http://www.dol.gov/olms/regs/compliance/lm2.htm>.
5. For a notable example, see Collective Bargaining Agreement between Monarch Fire Protection District and Professional Firefighters of Eastern Missouri Local 2665, January 1, 2011, through December 31, 2013.



5297 Washington Place | Saint Louis, MO 63108 | 314-454-0647 | www.showmeinstitute.org

Read Our Blog:
showmedaily.org

Use Our Interactive Database:
showmedata.org

View State Government Spending:
showmeliving.org

Find Us on Facebook:
facebook.com/showmeinstitute

Follow Us on Twitter:
twitter.com/showme