



TESTIMONY

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HOUSE BILL 2876 AND PUBLIC-SECTOR LABOR UNIONS

By David Stokes

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Issues Committee

TO THE HONORABLE MEMBERS OF THIS COMMITTEE

My name is David Stokes, and I am Director of Municipal Policy 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 summarize research that analysts for the Show-Me Institute have conducted and reviewed regarding public-sector labor relations.

HB 2876 includes a number of important, pro-worker labor reforms. In particular, the union elections that this bill would require are important in trying to preserve worker freedom.

Imagine we voted for our public officials only one time and for a lifetime appointment, and that after the initial election the only way to

remove a governor or legislator from office was through an impeachment process. This wouldn't be fair. So why does unionization work this way?

In Missouri, once a union becomes the “exclusive representative”¹ for a group of public employees, that union remains in power indefinitely. Another election is not scheduled unless employees organize, petition, and gather enough signatures for a decertification election.² Unions sometimes punish employees for attempting to decertify the union; in one previous case a government union successfully sued a group of employees for thousands of dollars for attempting to decertify it.³

The automatic union elections proposed by this bill would solve these problems. A regular, secret-ballot election serves as a good check on the abuses that may occur when a representative body is not accountable to its constituents. It's what we use

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to keep public officials in check. Without that safeguard, it would be misleading to call our form of government democratic.

The benefits of union elections are clear. Union executives may oppose such elections because it means having to run for re-election every two years. But elections benefit rank-and-file union members by allowing them to hold their leaders accountable.⁴

A legitimate concern with union elections is the potential cost to taxpayers.

In 2015 the Show Me Institute published a study of the costs of this type of union election. In it, the author, John Wright, demonstrated how Missouri could hold union elections that would not cost taxpayers a dime.⁵ He found that the monetary cost could be reduced if the statute included language that:

- Encourages the State Board of Mediation to contract out for election services;
- Allows for alternative methods to traditional paper ballots, such as telephone or internet-based voting; and
- Requires unions to pay for the remaining cost with a small filing fee.

If properly implemented, this bill can deliver the benefits of a more accountable government union without forcing taxpayers to pay for it.

Other important changes in this bill include removing the public union employee status of Medicaid compensated, in-home care providers. While they provide a valuable service to our community, they are not properly considered public employees and should not have public employee union collective bargaining rights.

This bill also includes a requirement that labor organizations refund governments for the cost of paying union officials who perform union work during time for which they are being paid to work for the government. The ability of public employees to perform their union roles while on government time is highly troubling and

subject to substantial abuse. The reforms to this practice in this bill will protect the interest of both taxpayers and union members.

In this bill there remain exemptions from these changes for certain public employee unions, primarily those considered public safety employees. The many positive changes in this bill would benefit everyone, including public safety employees, and those exemptions should be removed. Furthermore, we know from prior rulings that the judiciary may find these exemptions problematic. Moreover, Missouri could do more to foster greater financial transparency by public unions.

To conclude, this bill provides several positive labor reforms that benefit both taxpayers and public employees. These policies would be a good first step in improving the accountability of government unions in Missouri.

NOTES

1. In the United States, unions typically seek to represent employees as an exclusive representative. An exclusive representative is a union to which the government or the employer awards the privilege of being the only representative for a given class of employees. An exclusive representative represents each employee of the class, whether or not each employee is a union member. Where an exclusive representative represents employees, employees may not represent themselves.
2. Missouri Code of State Regulations Rules of Department of Labor and Industrial Relations Division 40 – State Board of Mediation Rules Chapter 2.040.
3. See *International Association of Fire Fighters v. Moon*, Mo. WD 73811, WD 73847 (2012).
4. Sherk, James, “Unelected Unions: Why Workers Should Be Allowed to Choose Their Representatives,” The Heritage Foundation (2012).
5. Wright, John, “The Low Cost of Labor Reform,” Show-Me Institute (2015). <https://showmeinstitute.org/wp-content/uploads/2015/10/20150928%20-%20The%20Low%20Cost%20of%20Labor%20Reform%20-%20Wright.pdf>.



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