

February 11, 2005

Hon. Bill Lockyer
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

Attention: Ms. Tricia Knight
Initiative Coordinator

Dear Attorney General Lockyer:

Pursuant to Elections Code Section 9005, we have reviewed the proposed statutory initiative related to the use of union dues (File No. SA2005RF0009).

Background

Union Dues. Government employees who choose to join the union that represents their bargaining unit in collective bargaining negotiations pay dues to the union. Those employees who choose not to join the union pay “fair share” fees to the union. Fair share fees are paid because the union represents them in negotiations as part of the bargaining unit.

Use of Union Dues for Political Purposes. Unions may use dues funds for various political purposes, including supporting and opposing political candidates and issues. Pursuant to federal and state court decisions, mandatory fair share fees charged to non-union members cannot be used for political purposes. Unions must annually report to all members and bargaining unit participants what portion of their expenditures was for operations and what portion was for political purposes. Because fair share fees cannot be used for political purposes, these fees typically are a few dollars less each month than union dues for full membership.

Major Provisions

The proposed initiative requires public employee unions to get annual, written consent to use any dues or fees for political purposes. This requirement would apply for both members and nonmembers the union represents in collective bargaining. The measure would also require unions to keep certain records, including copies of any consent forms.

Fiscal Effect

There could be some added state costs for the Fair Political Practices Commission to enforce the new consent requirements. In addition, the State Controller and local governments could incur some additional administrative costs to assure compliance with consent requirements for payroll deductions. The amount of these costs is unknown, but probably minor. Some of these costs could be partially offset by increased fines for not complying with the measure's provisions and/or fees charged on payroll deduction processing.

Fiscal Summary. This measure would have the following major fiscal impact:

- Probably minor state and local government implementation costs, potentially offset in part by revenues from fines and/or fees.

Sincerely,

Elizabeth G. Hill
Legislative Analyst

Tom Campbell
Director of Finance