

January 24, 2006

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 public employee union dues and fees (File No. SA2005RF0141).

Background

Unions for Public Employees. Employees of state and local governments in California can choose to have a union represent them in negotiations with their employers over salaries, benefits, and other conditions of employment. Individual public employees may choose whether or not to join the union that represents their group of employees. A union's negotiations affect all employees in the group—both members and nonmembers of the union. As a result, members of the group—whether they join a union or not—typically pay a certain amount of dues and/or fees to the union for these bargaining and representation services.

Use of Union Dues or Fees for Political Purposes. A union of public employees may engage in other types of activities unrelated to bargaining and representation. For instance, public employee unions may decide to charge additional dues for various political purposes, including supporting and opposing political candidates and issues. Any fees collected from a nonmember of a union cannot be used for these types of political purposes if the nonmember objects.

Proposal

This measure amends state statutes to require public employee unions to get annual, written consent from a state or local government employee in order to charge and use the employee's union dues or fees for a political committee, as defined in state law. This requirement would apply to both members and nonmembers of a public employee

union. The measure also would require unions to keep certain records, including copies of any consent forms.

Fiscal Effect

The state and local governments could experience some increased costs to implement and enforce the consent requirements of the measure. The amount of these costs is 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 by government agencies to cover the costs of processing payroll deductions for union dues and fees.

Fiscal Summary. This measure would have the following 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

Michael C. Genest
Director of Finance