

November 18, 2009

Hon. Edmund G. Brown Jr.
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

Attention: Ms. Krystal Paris
Initiative Coordinator

Dear Attorney General Brown:

Pursuant to Elections Code Section 9005, we have reviewed the proposed constitutional initiative related to the use of public employee union dues and fees (A.G. File No. 09-0054).

Background

Union Dues and Fees. Government employees who choose to join the union that represents their bargaining unit in collective bargaining negotiations pay dues. 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.

Deductions From Payroll Made by Departments. State law requires public agencies to arrange for the proper deduction and transfer of dues and fees from its employees to the union that represent them in collective bargaining.

Use of Union Dues and Fees 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.

Proposal

Using Public Employee Dues or Fees for Political Activity Prohibited. The proposed initiative prohibits unions from using public employee dues and fees for any political

activity. This prohibition would apply to dues and fees from members and nonmembers the public employee union represents in collective bargaining. The proposed initiative further prohibits state agencies from deducting any portion of wages or earnings to be used for political activities. The measure would not affect payroll deduction provisions in existing collective bargaining agreements. Future collective bargaining agreements with public employee unions, however, would have to comply with this measure.

Fiscal Effect

There could be some added state and local government initial costs to change payroll deduction processing and ongoing costs to enforce the new requirements. 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 fiscal impact:

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

Sincerely,

Mac Taylor
Legislative Analyst

Michael C. Genest
Director of Finance