

Union Dues Divert Education Funds from Schools

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Key Findings

1. Education funding is diverted from public schools to ensure the financial stability of public sector unions.
2. State law and collective bargaining agreements require school officials to deduct dues from teachers' paychecks for transfer to union bank accounts.
3. Teachers may not opt out of the automatic payment arrangement.
4. Teachers typically pay around \$900 per year each in mandatory union dues.

One of the main news items reported at the end of this year's legislative session in Olympia was that lawmakers had sharply cut K-12 education funding. Education was "cut," however, only in relation to future planned spending. Compared to recent actual spending, state lawmakers increased education funding from \$12.9 billion in 2009-2011 to \$13.7 billion in 2011-13. This represents an increase of \$789 million to educate just under one million students attending some 2,011 public schools.

Still, much of education spending is not directed to helping children learn. Only 59 cents of every education dollar reaches the classroom, and one-third of public school students drop out before graduation. In contrast, the typical graduation rate in private schools is 90 percent, even though per-student spending is often much lower. Of public school students who do graduate, nearly 40 percent require remedial classes in reading and math before they are ready for college-level work.

One of the greatest cost drivers in public education is the collective bargaining process between the local teachers' union and the school district. This report describes how secret collective bargaining negotiations and mandatory union dues divert education funding from public schools. The amount of money that is directed to union accounts from select school districts across the state is taken from the Form 990 that union executives file each year with the IRS. The data is reported for the latest year available.¹

Secret Collective Bargaining Talks

The terms of collective bargaining agreements are decided in a series of closed-door meetings between union executives and school district representatives. The negotiations are secret. The public is not allowed to know the starting and ending positions of each side, what is discussed, the amount of public money involved, or what concessions each side makes. News reporters are not allowed to attend the meetings and no public hearings are held. The records of collective bargaining meetings are not subject to the state's Freedom of Information Act.

All school district collective bargaining agreements contain a special section designed to ensure the financial stability of public-sector unions by providing for the regular transfer of education funding to union accounts in the form of member dues.

¹ IRS 990 forms retrieved through Guidestar, accessible at <http://www2.guidestar.org/>

The Union Security Clause

Collective bargaining agreements contain a union security clause that requires all teachers covered by the agreement to join the union and pay dues, or to pay an agency shop fee equal to the amount of the dues. The union security clause used by the Seattle Education Association is a typical example:

“Employees may elect to become members of the SEA or may pay an agency shop fee equivalent to the dues of the SEA. Employees who fail to authorize payroll deductions will have the agency shop fee deducted from their salary and paid to the SEA, pursuant to Chapter 41.59 RCW.”²

Teachers must pay union dues as a condition of employment. Failure to pay dues and remain in good standing with the union is cause for termination. If a teacher is not in good standing, union officials notify the school district, which is then required to fire the offending teacher. Teachers typically pay around \$900 per year each in mandatory union dues.

Teachers who say they want to opt-out of supporting union political activities receive a small yearly rebate of their dues. Teachers with bona fide religious objections are allowed to pay the equivalent of the monthly dues to a nonreligious charity that has received union approval.

State law and collective bargaining agreements require school district officials to deduct dues from teacher paychecks and transfer the required amounts each month to union bank accounts. Teachers may not opt out of the automatic payment arrangement, which carries the force of law. The requirement applies only to teachers at public schools; teaching staff at private schools are exempt.

Following are the amounts of education funding paid into union accounts in the form of mandatory union dues for select school districts in Washington.

IRS Reports for 12 Washington State Teacher Unions

Washington Education Association³

Gross Receipts: \$33,595,269

Total Revenue: \$33,586,808

Total Expenses: \$31,784,457

Total Membership Dues⁴: \$28,598,930

Highest-Paid Independent Contractors:

- Foster Pepper and Shefelman PLL, Legal Services: \$2,994,878
- Codgil Nichols Rein, Legal Services: \$159,828
- Joseph Evans, Legal Services: \$136,369

Highest Paid Employees:

- Mary Lindquist, President: \$122,261; plus \$85,528 from other
- Mike Ragan, Vice President: \$77,249; plus \$85,580 from other
- Margaret Knight, Chief Financial Officer: \$198,893
- John Okamoto, Executive Director: \$263,908
- James Regan, Managing Director: \$241,416
- James Fotter: \$216,454
- Glenn Bafia: \$216,434
- Aimee Iverson: \$205,255
- Lisa Kodama: \$201,594

² Collective Bargaining Agreement between Seattle Public Schools and Seattle Education Association, Certificated Non-Supervisory Employees, 2010-13, Section H(2), page 8.

³ All data collected from 2008 or 2009 Form 990 filed with IRS by the named association; See GuideStar (<http://www.guidestar.org>); Gross Receipts listed separately from Total Revenues if reported separately.

⁴ Reported as Contributions and Grants, Line 8 of Form 990.

- Manuel Bosser: \$201,603
- Maryjo Baker: \$197,072
- David Wood: \$177,618
- James Conlon: \$176,021
- Donna Lurie: \$172,312
- Sharon Bacon: \$171,784

Largest Grant Recipients:

- Washingtonians for Education: \$100,000
- Washington State Budget and Policy Center: \$25,000
- No on I-1033: \$25,000
- Citizens to Protect our Economic Future: \$22,000

Bellevue Education Association

Total Revenue: \$363,159

Total Expenses: \$375,464

Total Membership Dues⁵: \$335,703

Highest Paid Employees:

- Michele Miller, President: \$87,156; plus \$18,822 in deferred compensation

Bellingham Education Association

Total Revenue: \$184,196

Total Expenses: \$186,577

Total Membership Dues⁶: \$182,621

Highest Compensated Employees:

- Shirley Potter, President: \$105,068

Edmonds Education Association

Total Revenue: \$286,686

Total Expenses: \$276,697

Total Membership Dues: \$248,464

Highest Paid Employees:

- Andi Nofziger-Meadows, President: \$82,955, plus \$16,102 in deferred compensation
- Cheryl Wilson, Office Manager: \$29,643

Everett Education Association

Total Revenue: \$357,453

Total Expenses: \$311,849

Total Membership Dues: \$343,431

Highest Compensated Employees:

- Kim Mead, President: \$94,697; plus \$16,202 in deferred compensation

Federal Way Education Association

Total Revenue: \$360,407

Total Expenses: \$307,662

Total Membership Dues: \$342,138

Highest Paid Employees:

- Jason Brown, President: \$101,110

Kennewick Education Association

Gross Receipts: \$310,008

Total Revenue: \$288,099

Total Expenses: \$238,603

Total Membership Dues: \$288,861

Highest Paid Employees:

- Mary Shaw, President: \$81,683
- Kim Berna, Vice President: \$1,000
- Denise Hogg, Secretary/Treasurer: \$1,000

⁵ Reported as Contributions and Grants, Line 8 of Form 990.

⁶ Reported as Contributions and Grants, Line 8 of Form 990.

Kent Education Association

Total Revenue: \$739,078

Total Expenses: \$693,355

Total Membership Dues⁷: \$687,406

Highest Paid Employees:

- Lisa Brackin-Johnson, President: \$4,518, plus \$89,852 in other compensation
- Mike McNett, UniServ Representative: \$121,285

Lake Washington Education Association

Total Revenue: \$455,577

Total Expenses: \$422,696

Total Member Dues: \$421,599

Highest Paid Employees:

- Kevin Teeley, President: \$110,702

Seattle Education Association

Gross Receipts: \$1,981,723

Total Expenses: \$1,957,937

Total Membership Dues⁸: \$1,929,121

Highest Paid Employees:

- Glenn Bafia, Executive Director: \$149,417
- Olga Addae, President: \$118,534
- Brian Lindquist, Vice President: \$69,209
- Margaret Crain, UniServ Representative: \$127,002
- Joan Matheson, UniServ Representative: \$117,873
- Verleeta Wooten, Treasurer: \$10,391

Spokane Education Association

Gross Receipts: \$933,082

Total Revenue: \$933,055

Total Expenses: \$981,262

Total Membership Dues⁹: \$930,122

Highest Paid Employees:

- Jenny Rose, President: \$106,243
- Rebecca Powell, UniServ Representative: \$133,040

Tacoma Education Association

Total Revenue: \$1,031,936

Total Expenses: \$957,455

Total Membership Dues¹⁰: \$1,026,748

This organization reported that it did not compensate any officer, director, trustee, or key employee

- John Andrew Coons, President

Vancouver Education Association

Total Revenue: \$546,744

Total Expenses: \$501,431

Total Membership Dues¹¹: \$546,547

Highest Paid Employees:

- Roy Maier, Executive Director: \$107,933
- Ann Giles, President: \$44,746

Liv Finne is director of the Center for Education at Washington Policy Center, a non-partisan independent policy research organization in Washington state. Research Assistant Rebecca Cheung provided valuable assistance for this Policy Note.

⁷ Reported as Contributions and Grants, Line 8 of Form 990.

⁸ Reported as Contributions and Grants, Line 8 of Form 990.

⁹ Reported as Contributions and Grants, Line 8 of Form 990.

¹⁰ Reported as Program Service Revenue, Line 9 of Form 990.

¹¹ Reported as Contributions and Grants, Line 8 of Form 990.