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Nebraska Favors Public Unions over Taxpayers

When it comes to favored status in Nebraska, it appears that public sector unions have a bit of an upper hand over regular taxpayers according to the Big Labor Versus Taxpayer Index developed by the Competitive Enterprise Institute.[\[1\]](#) Nebraska ranks 28th of the 50 states and is graded to have policies that slightly favor organized labor in the public sector as opposed to the taxpayers.[\[2\]](#)

Analyzing each state on 23 individual policy aspects, the index scores each state on a 40 point scale and ranks them accordingly. Nebraska received 16 out of 40. The highest ranked state, Tennessee, earned a score of 36 for their pro-taxpayer policies, while New York came in dead last with only 4 points.[\[3\]](#)

The rankings comes from state policy as it concerns ten issues: Collective bargaining, right to work laws, paycheck protection laws, secret ballot protections and card check, binding arbitration, open meeting laws, union membership density, public employee pension underfunding, project labor agreements, and strike policy for government employees. Each category has a maximum of four points that can be earned.[\[4\]](#)

Collective Bargaining: In the eyes of this index, government employees should not be allowed to collectively bargain. When public unions collectively bargain with government officials, any agreement reached is paid with other people's money, and in those negotiations, the taxpayer's representatives are as dependent upon the votes of the union members they are bargaining with as they are the votes of average citizens.

The index divides collective bargaining into four subdivisions: Police and Fire, State, Education, and Municipal employees. With these categories, and the above criteria cited by the index, it is not hard to see why Nebraska gets zero points for collectively bargaining. The Cornhusker state provides numerous provisions regulating how collective bargaining should operate. Three of the four subdivisions-Police and Fire, Education, and Municipal-are all governed under the Nebraska Industrial Relations Act,[\[5\]](#) while state employees' ability to bargain is covered under the State Employees Collective Bargaining Act.[\[6\]](#) These two acts allow for government workers to negotiate higher wages and benefits at the expense of taxpayers.

Right to Work: Nebraska garners the full four points for its right to work stance, which is written into Nebraska's Constitution, under Article XV, Section 13.[\[7\]](#) This section makes clear that Nebraska is a right to work state, and it is unconstitutional for a person

to be denied employment based upon their decision whether or not to join a union.

Paycheck Protection: Paycheck protection laws are designed to protect the paychecks of union members from being used in causes they disagree with. Without paycheck protection laws, the compulsory union dues paid by members can immediately be used for whatever the union leaders see fit, including funding a particular political agenda. Having a paycheck protection law in place means that union leaders must obtain the written consent of members before that member's dues can be used for any cause. This weakens the ability of unions to use membership dues for political purposes, and means if members wish to contribute to a union political lobbying effort, they must make the conscious choice to do so and opt-in to such a system. Nebraska currently has no provision for paycheck protection of union members, which means union leaders in Nebraska do not have to obtain the consent of members before using their dues for whatever purposes they wish. Nebraska received no index points because it lacked such a law.

Secret Ballot Protections and Card Check: The secret ballot is the usual method of voting in a free society, as voters can feel free from intimidation. However, the card check system is often used for union votes. The card check method avoids the secret ballot and instead allows for employees to form a union if a majority of workers sign membership cards. While not a danger on the surface, card check votes occur publicly, and therefore open the door to coercion and intimidation from other employees, union leaders, or even management. Having a secret ballot and avoiding card check protects the employee's right to vote in whatever manner they choose without coercion or intimidation from union leaders or management.

Nebraska does not have any provisions that mandate a secret ballot. However, there is also no provision on the books that forces card check. For splitting the difference on these two issues, Nebraska received two points from the index.

Binding Arbitration: Binding arbitration is where a single person or board has the ability to determine the compensation and conditions of government employment, such arbitration is mandated in some states for when contract negotiations reach an impasse. Having such a board or unelected official can be a risky venture for taxpayers because the entity or individual can usurp the voters' right to decide how their government spends money. Because such boards often go in favor of labor, government employees could submit offers that would normally seem unreasonable, and if the board or official sides with labor then the elected officials of the people often have no recourse to object.

Nebraska has just such a board in place: the Commission of Industrial Relations (CIR). Authorized by the State Constitution and created by statute in 1947 to resolve disputes in public utilities, the CIR expanded to have jurisdiction over all public employees in 1969. While CIR reform rules have recently gone into effect, having such a commission headed by unaccountable bureaucrats to decide labor issues still infringes on the rights of taxpayers to decide how their money is spent. Nebraska again received no points from the Big Labor vs. Taxpayers index.[\[8\]](#)

Open Meetings Laws: Transparency is critical to keep government accountable. Particularly when elected officials are negotiating with unions over pay and compensation, taxpayers deserve to know the details of the negotiations and how their money will be spent. When it comes to public access to government meetings, the index recognizes four different types: fully open meetings, meetings where the government may restrict some access, meeting where either party may restrict access, or closed meetings with no public access. Currently, only eleven states provide any statutory access to collective bargaining meetings; Nebraska is not one of them. There are currently no rules allowing for meetings between government and public employee unions to be open to the public. As such, many meetings take place behind closed doors where the taxpayers cannot keep their elected officials or union leaders accountable. For failing to give any sort of public access to its citizens, Nebraska received no points for open meeting laws.

Union Membership Density: Union density is calculated by finding out how many government employees are members of a public-sector union. In Nebraska, union members make up 28.3 percent of the entire governmental work force. This number is slightly lower than average, but it is higher than all the neighboring states, with the exception of Iowa. However, the amount of public sector workers in unions is almost six times higher than the percentage of unionized private sector workers in Nebraska; that number is only 4.8 percent, which brings the total number of unionized Nebraska workers to be 9.3 percent of the population. For having a relatively low density compared to all the other states in the nation in unionized government workers, Nebraska earned three points in the index.

Public Employee Pension Underfunding: Pension liabilities are the amount that each state government owes to fulfill pension obligations made to public employees. These liabilities have slowly developed as public officials have made generous promises to public employees for future compensation and balanced the budget by kicking the can down the road instead of cutting spending or raising taxes.. Nebraska is fortunate in that its pension liabilities are not as steep as other states, with unfunded pensions roughly 88 percent funded. As such, Nebraska was awarded three points by the index.[\[9\]](#)

Strike Policy: Each state has a policy dictating whether or not government employees have the right to strike. While strikes may be useful for private sector workers, in the public sector, allowing government employees to strike does not simply hurt business, but public services in general. This is especially worrisome for the public services that are not provided anywhere else. Because government employees have a monopoly on certain services, they can then gain generous concessions from government officials.

In Nebraska, it is illegal for government employees to go on strike. It does not matter whether they are state employees, police officers, fire fighters, or teachers, if a group of people employed by the government go on strike in Nebraska they are breaking the law. Because Nebraska does not allow government employees to endanger the facilitation of public services through strikes, the index awarded the state all four points.[\[10\]](#)

In the eyes of this index, Nebraska protects taxpayers in several key ways: being a right

to work state, not forcing card check in employee votes, having a low union density among government employees, having mostly funded pension liabilities, and by prohibiting strikes among public workers. However, collective bargaining in Nebraska is fairly generous, and because there are no laws mandating open meetings, negotiations between government workers and officials can be held in secret. Then, if an impasse is reached, the CIR is still able to dictate terms without input or accountability from taxpayers, again shutting out the people who will be forced to pay the costs of the decision. While reforming some of these measures will be a challenge, Nebraska must become a state that is accountable to the people, not to those who are supposed to be public servants.

[1] Main website for the Big Labor vs. Taxpayers Index may be found at <http://workplacechoice.org>.

[2] Nebraska score and breakdown may be found here: <http://workplacechoice.org/state-map/states-nebraska/>. Detailed information can be found at <http://workplacechoice.org/state-map/big-labor-vs-taxpayer-detailed-information/>.

[3] Index may be found here: <http://workplacechoice.org/state-map/>.

[4] Breakdowns of categories may also be found at: <http://workplacechoice.org/state-map/>.

[5] Text of Industrial Relations Act may be found in "Nebraska Revised Statutes Chapter 48," which may be viewed here: <http://www.nebraskalegislature.gov/laws/browse-chapters.php?chapter=48>. Specific statutes relating to Police/Fire, Education, and Municipal workers are numbered from 48-801 to 48-838.

[6] Text of Collective bargaining Act may be found in "Nebraska Revised Statutes Chapter 81," which may be viewed here: <http://www.nebraskalegislature.gov/laws/browse-chapters.php?chapter=81&print=true>. Specific statutes relating to state employees are numbered from 81-1369 to 81-1390.

[7] Nebraska State Constitution, Article XV, Section 13. Adopted 1943. Accessed September 20, 2011: <http://nebraskalegislature.gov/laws/articles.php?article=XV-13>.

[8] For the statute on the CIR, look to "Nebraska Revised Statute 81-1383" which may be viewed here: <http://www.nebraskalegislature.gov/laws/statutes.php?statute=81-1383>. The Nebraska CIR website may be viewed at <http://www.ncir.ne.gov/index.htm>.

[9] Pension liabilities have been examined by the Platte Institute before. While this index tried to estimate the dollar amount per worker, we thought a percentage of how much pensions were funded was an easier way to get the point across. The percentage of unfunded pension liabilities comes from the State Fact Sheets which can be accessed by

pdf at <http://www.bankruptingamerica.org/2011/05/state-fiscal-fact-sheet/>.

[10] The statute outlawing strikes for public workers can be found at "Nebraska Revised Statute 48-802." It may also be accessed from the CIR website at <http://www.ncir.ne.gov/statutes/data/48/802.html>.



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