

INDEX OF DOCUMENTS RELATED TO JANUS CASE

- 1) STATE POLICY NETWORK, secret fundraising letter, for campaign to “defund and defang” unions, “permanently break the power of government unions *this year*” and other language to this effect.
- 2) STATE POLICY NETWORK, secret union-busting toolkit, advocating four ways to dismantle unions is available here:
<http://www.documentcloud.org/documents/3984714-Spntoolkit.html#document/p1>
- 3) STATE POLICY NETWORK: flyer for *Friedrichs* rally on SCOTUS steps.
- 4) STATE POLICY NETWORK: flyer for *Janus* rally on SCOTUS steps.
- 5) Bradley Foundation documents, Meeting of the IRA Committee, discusses private 2013 meeting of anti-union activists Norquist, NRTWLDF, ALEC, SPN, Berman etc.
- 6) Bradley Foundation Grant Proposal Record, National Right to Work Legal Defense Fund, (11/12/2013), (“Big Labor and trial attorneys... funding pillar of the left”). There are more NRTWLDF docs. available on request.
- 7) Bradley Foundation materials related to *Friedrichs* case and arc of anti-union cases.
- 8) Bradley Foundation Grant Proposal Record, Center for Individual Rights (2/23/2016), which represented *Friedrichs vs. California Teachers Association* plaintiffs.
- 9) Bradley Foundation, Grant Proposal Record for Students First (11/10/2015), to fund *Bain vs. California Teachers Association* amicus brief (*Bain and Friedrichs* are “powerful ‘one two’ punch against unions”).
- 10) Bradley Foundation Barder Fund document (discusses \$1.5 million grant to Freedom Foundation to knock on doors and get people out of their unions, lists Colorado’s Independence Institute campaign funding to “defund teachers’ unions and achieve real education reform.”
- 11) Freedom Foundation (SPN “think tank” in Oregon), secret brochure on union campaign spending “Undue Influence: Public Unions’ Cycle of Power-Electioneering.”



Tracie Sharp, President and CEO

1655 North Fort Myer Drive
Suite 360
Arlington, Virginia 22209
703.243.1655 • SPN.org

April 22, 2016

Dear _____,

I know you are sensing it, too. There is change in the air. And despite the turbulence of the national campaign scene, I know that 2016 presents you and me with a remarkable opportunity to advance the cause of freedom.

Now, more than ever, I am convinced we can win the battle for freedom. I'm talking about BIG WINS for freedom in the states ... BIG WINS that have massive national impact.

You have surely heard of the remarkable Right-to-Work victory our **State Policy Network** partners won in **West Virginia** in February. (More on that huge, game-changing victory below.)

That's just the beginning of the big wins for freedom we can achieve this year!

In fact, not only do I believe that you and I have before us a once-in-a-lifetime chance to reverse the failed policies of the American Left – but we also are primed, right now, to deliver the mortal blow to permanently break its stranglehold on our society.

I'm talking about government employee unions.

Today, coercive, Big Government unions are the biggest sources of funding and political muscle for the Left – and a major obstacle to the ability of voters to reclaim control of American government. Which is why, to win the battle for freedom, we must take the fight to the unions, state by state, with key reforms.

The good news is that this revolution for worker freedom – breaking the immense power of the government unions – is not only possible, it's already happening. And **State Policy Network** is leading the way!

My name is **Tracie Sharp**, and I serve as president of State Policy Network. For the past 23 years, State Policy Network – or SPN, as our friends call us – has built and equipped a vast network for freedom across America, helping to launch and empower free-market policy and action centers in all 50 states.

And through our proven, battle-tested strategy, the 63 organizations in our freedom network have achieved a remarkable string of victories in recent years – significant victories

for freedom. Victories with lasting impact.

I write today to share with you our bold plans to permanently break the power of government unions *this year*. Plans that I believe will deal a major blow to the Left's ability to control government at the state and national levels.

I'm talking about taking the kind of dramatic reforms we've seen in recent years in **Indiana, Wisconsin, Michigan** and now **West Virginia** – freeing teachers and other government workers from coercive unionism – and spreading them across the nation.

I'm talking about not only making state workers' lives better, but *permanently depriving* the Left from access to millions of dollars in dues extracted from unwilling union members every election cycle. Dues the Big Government unions then spend to elect and re-elect politicians who faithfully indulge their self-serving interests.

State Policy Network's *Breakthrough 2016* campaign plan is one of the most ambitious, potentially decisive campaigns ever launched to advance freedom and change America. The funds we require to fully fund this ambitious, \$8.39 million winning campaign budget can only come from generous patriots like you!

Today, you have an especially remarkable opportunity to leverage your giving for the cause of freedom. In fact, the impact of your donation today will be doubled.

SPN has received a \$1,000,000 donation from a committed donor. But it's a donation with a *condition* – we must be able to match his gift with donations from other defenders of freedom like you. Your gift to this appeal will be matched dollar for dollar, literally doubling the impact you can have on our success this year.

Yes, thanks to our past successes, we have the wind at our backs. And that's because we have successfully generated *significant momentum* for our *Breakthrough 2016* campaign this year to permanently curb the power of government unions.

- In 2010, our Network united our intellectual resources, winning messaging and moral support behind Governor **Scott Walker's** heroic efforts to bring historic government union collective bargaining and pension reform to **Wisconsin**. Building on this success, the Badger State went on to become America's 25th Right-to-Work state in 2015.
- **Indiana** and **Michigan** also passed Right-to-Work laws in 2012 and 2013, respectively. Most observers thought such a victory would be IMPOSSIBLE in Michigan, the birthplace of Big Labor. But we ignored the critics and naysayers and united behind a winning effort, even after President Obama was re-elected. The Mackinac Center also launched a teacher opt-out campaign, informing teachers in Michigan of their right to opt out of their union every August. Consequently, declining membership rolls (at least 13,000 to date) has resulted in \$8 million annually being drained from the teacher union coffers.

- In 2014, we saw **Maine, Utah, Nevada, Colorado** and even certain cities in **California** pass significant government union reforms, including much-needed transparency in the collective bargaining process.
- In **Oklahoma** last year, Governor Mary Fallin signed legislation originally proposed by an SPN partner – the Oklahoma Council of Public Affairs – to outlaw the practice of using taxpayer dollars to collect union dues and also to establish paycheck protection against automatic dues deductions for union members.
- In **Missouri**, the state house passed Right-to-Work legislation for the first time in the state's history. Labor-supported politicians are fighting back, but pressure for final passage by the state senate is growing.
- In union-dominated **Illinois**, Governor **Bruce Rauner** issued an executive order last year to stop collecting “fair share” union fees from non-union employees of the state government. He has proposed local workplace freedom zones and filed a lawsuit to block forced union dues for state employees and a number of other pro-freedom reforms in this “deep blue” state.
- And, as I mentioned above, the results of our winning strategy, proven over and over, were realized once again in **West Virginia** in February of this year. There, state lawmakers persevered to override the governor's veto and pass the nation's 26th statewide Right-to-Work law. But that's not all! State legislators also reformed archaic and job-killing prevailing wage laws in their state. And all of this came after they ended the automatic right of government unions to get government contracts last year.

Consider for a moment just how remarkable this recent string of victories is: Up until 2012, only two states (**Idaho** in 1985 and **Oklahoma** in 2001) had passed Right-to-Work laws since 1976.

Now, in just over three years, four states – **Indiana, Michigan, Wisconsin and West Virginia** – have become Right-to-Work states. This is no accident, but a wonderful result of our 50-state freedom network collaborating to bring winning strategies across state lines, building momentum for even more victories to come!

In state after state, citizens and lawmakers struggling to get runaway budgets under control have discovered that the biggest problem is the state employee unions.

Government employee unions have been able to hold taxpayers hostage to their demands ever since they began to gain collective bargaining powers around 1958.

Government unions have created a self-perpetuating “power cycle” that:
(1) AUTOMATICALLY WITHHOLDS union dues from employees' paychecks, just like taxes; (2) SENDS these dues directly to government unions' bank accounts; (3) SPENDS this money to lobby against taxpayers' interests; and (4) REPEATS THE PROCESS OVER

AND OVER AGAIN to build massive political support and maintain the “power cycle.”

Here’s how Illinois Governor **Bruce Rauner** puts it:

“The government union leaders *control the politicians*: They give to their campaigns, they *get them elected*, then they negotiate sweetheart deals, get pension deals nobody – no taxpayer – gets. They get free health care for life. They have incredible work rules with expensive overtime, and overtime goes into pension calculation.”

Exactly!

Study after study has shown how collective bargaining for state employees has dramatically increased state budgets – in many cases to the point of bankruptcy. The “power cycle” that unions bring to state governments compels politicians to support ever more generous wages, pensions and benefits – all at the expense of the taxpayer.

One tactic government unions rely on is stealth. They like to hide their lucrative deals from taxpayers and negotiate their ugly deals behind the scenes. When taxpayers realize just how one-sided and unfair these deals are, union reforms often follow ... and quickly! That’s why we support laws mandating transparency in government union negotiations and have made this push a top priority throughout our 50-state network.

Nothing has been more frustrating to parents and Americans who want to improve our failing education system than the determination of the teachers unions to resist all meaningful reforms. Coast to coast, these unions desperately fight tooth and nail to keep even the worst teachers on the job.

They oppose any attempt to allow parents the choice in how and where their children are educated. They oppose rewarding better teachers with better pay and they resist the establishment of charter schools.

As you are probably aware, there are two major national teachers unions. The American Federation of Teachers, which is an AFL-CIO affiliate, and the National Education Association. The NEA is the largest union in the United States and one of the most powerful political forces in the nation.

But, as powerful as the teachers unions are, we’re beating them, too!

- In 2014, **Douglas County (the third largest county in Colorado)** became the first county in the nation to enact a countywide school voucher program. It also brought an end to automatic dues deductions and successfully reformed teacher tenure and collective bargaining rules. Not surprisingly, the teachers unions went on the warpath, spending at least \$2 million in an attempt to unseat four pro-reform school board members. But the freedom infrastructure in Colorado mobilized to educate citizens about the benefits of the reforms, and, ultimately, all four board members were re-elected. Even better, similar reforms are now spreading to other counties across Colorado and to school districts all across America.

- Last year, in a groundbreaking win for **Nevada**, our state affiliate there – the Nevada Public Research Institute – helped pass the nation's first universal Education Savings Account. Innovative programs like this one allow parents to pay for private school tuition, distance learning programs, tutoring, curriculum, therapy and other educational choices for parents and students. Of course, this idea is bitterly opposed by the teachers unions.
- In **Oklahoma**, our Network overcame union opposition as it helped expand charter schools statewide, and made the case for successful charter school reforms in **Alabama** for the first time, literally opening doors for innovation in education.

I'm sure it will come as no surprise to you to hear that the most determined opposition to *all our fights* for lower taxes, fewer regulations, greater transparency, etc., *always* comes from the government unions.

The Big Government unions are the #1 obstacle to freedom in the states because they enforce their progressive dogma on all citizens.

They are particularly keen to undo the victories SPN affiliates have had at the state level, including collective bargaining reform, Right to Work, school choice, etc.

They want higher taxes and a universal \$15 minimum wage.

They defend Obamacare at all costs!

They want to redistribute wealth rather than create opportunities for all citizens.

And yes, they are the funding arm of the Progressive Left that keeps their entrenched politicians in office.

Unions spent \$1.7 billion to push their agendas and candidates in the 2012 elections. This year, they plan to spend even more.

If we are to win the long-term battle for the future of freedom – if we are to finally disrupt the Left's chokehold on government – it's essential that we roll back the entrenched power of government unions.

For decades, this vicious cycle of government union power was almost impossible to break.

Until SPN came along.

Because SPN has developed *a system ... a model ... a proven, battle-tested strategy* that makes us stronger with each state-based effort.

It's a victory model that is constantly improving. It takes a win, improves it, moves on to other issues, and exports those winning strategies to other states. It recruits and builds leaders, it builds lasting coalitions, and so much more.

Of course, at the heart of our Network are state-based policy centers supplying the “intellectual ammunition” for reform. **The Goldwater Institute in Arizona, the Illinois Policy Center, the Mackinac Center in Michigan, the Buckeye Institute in Ohio, the Texas Public Policy Center.** And so many other dedicated organizations creating energy and excitement for freedom-based solutions in state after state after state!

I call it a “hub and spoke” system. SPN and the 63 state-based “idea factories” in our Network serve as free-market, limited government policy “hubs.” And together, we constantly reach out to elected officials, candidates, political organizations, grassroots groups and litigation experts – the “spokes” in our system – and arm them with pro-market, limited-government answers to tough public policy issues.

State Policy Network equips, empowers and encourages freedom-based state think tanks to innovate, test out new policies, and then encourage the leaders of the free-market movement in that state to make a difference. Doing for our freedom movement what FedEx, UPS and other such organizations have done so successfully in the marketplace.

But instead of goods and services, *ours is a freedom distribution system.*

Think of State Policy Network as the great connector, the hub connecting powerful spokes out in the states where leaders share intel for big wins in state after state. This is the kind of momentum that has national impact.

One observer said that the power of free-market ideas coming out of the states is equal to the advantage the Left has in the media. It cancels it out! Far-leftist billionaire and super-activist **George Soros** has said it would take a billion dollars to build a leftist version of our network in the states.

And to think that our most amazing years of growth have happened most recently, just when things seem to be at their worst for the freedom movement in Washington, D.C.

But not so in the states! In fact, quite the opposite.

Consider: When Barack Obama was first elected President in 2008, State Policy Network launched a bold campaign that we called the *50-Fifty-5 Initiative*. We had a big goal, among others – to complete our 50-state network within five years.

By 2010, we accomplished that mission, having successfully launched affiliates in EVERY state in America. And three years ahead of schedule!

And through all these years, our amazing freedom network has compiled a remarkable record of pushing through major tax cuts and balanced budgets, regulatory reforms and patient-centered health care reforms in states – both red and blue – all across America.

Yes, we are a huge asset, and while the Left bitterly denounces and vilifies us, they have nothing to match our state-based capacity to *turn the ideas of freedom into freedom-based policies.*

Veteran free-market economist and commentator **Stephen Moore** puts it this way:

"We are winning in the states; we're winning big time. We have all the momentum in the states. We have incredible leaders, not just in the governors' offices, but ... Speakers of the House or the heads of the major committees in the states from Texas to Oregon to the Dakotas.

*"And where do they get their ideas from? They get them from the **State Policy Network**."*

Thank you, Stephen Moore. I couldn't agree more!

What all of this means is that we now have an *historic opportunity* to push pro-freedom policies and ideas into state governments across the nation. And an especially unique opportunity this year to break the back of the coercive power of government unions.

Consider, for example, what happened as a result of the dramatic union reforms our Network helped Governor **Scott Walker** achieve in **Wisconsin**.

Since "Act 10" (which prevents unions from automatically deducting dues from workers' paychecks) was signed into law in March 2011, tens of thousands of Badger State workers have elected not to pay union dues.

The Bureau of Labor Statistics recorded a drop in total union membership of 46,000 in the state in just the first two years the law has been in effect. The percentage of Wisconsin employees represented by unions fell from 53.4% in 2011 to 37.6% in 2013.

Most Wisconsin public employee unions have lost between 30% and 60% of their members in the two years since Act 10 went into effect. And this decline has in turn cost organized labor tens of millions of dollars.

It's clear: The unions' greatest enemy is freedom of choice.

Wisconsin proves that most people, *given the choice*, will decline to join unions. Imagine the impact this will have when we achieve even more government union reforms across the nation this year!

You can see why many say 2016 could be "game changing" for America, perhaps forever changing the direction our nation will go – upward to the ultimate in individual freedom consistent with law and order ... or down into the morass of hopeless collectivism and economic stagnation.

Based on our SPN freedom network's remarkable track record, I am hopeful.

In fact, I am confident we can and *will* win – in and through the states, as we achieve a wave of significant local victories for freedom and free-market principles that will sweep across America to create national impact!

And YOU have it in your power right now to help make that happen.

With your support today, our top goals for ***Breakthrough 2016: A State-by-State Plan to Liberate Americans from Coercive Government Unions*** are as follows:

- Aggressively expand our battle for workplace freedom against the powerful public sector unions, especially in as many as 15 key “battleground” states.
- Mobilize and target the resources of our network to achieve important union reforms like paycheck protection (ending automatic dues deductions), changes to certification requirements to favor employees and not the unions, and bans on collective bargaining for public employees.
- Continue our fight to liberate parents and kids in our failing schools and take on the teachers unions. The SPN network will push for choices that parents can make to help their kids get the education they need: charter schools, education savings accounts, getting rid of terrible teachers currently protected by the unions, and more.

I remind you, fighting this all-out battle against the government unions this year helps us achieve two supremely important goals in our long-term fight to advance freedom across America:

- 1) We defund and defang one of our freedom movement’s most powerful opponents, the government unions; and
- 2) We clear pathways toward passage of so many other pro-freedom initiatives in the states.

With your most generous possible support today, we will build on our remarkable recent momentum to achieve even more big wins for freedom in 2016.

Think about this:

While the Obama Administration was turning Washington into a laboratory for a failed experiment in Big Government liberalism, the collaborative efforts of SPN and our partners in the states have turned the states into laboratories for bold, successful market-based reforms.

We’ve already transformed the political model in a handful of key states – some of them formerly “deep blue” states. Imagine the impact over the next few years if we can expand this “freedom wave” to half the states or more!

When we do, America will be a very different country. We will have replaced the failed Obama Progressive model with the freedom model!

Of course, whether we can fully exploit this remarkable opportunity this year is now in your hands. And in the hands of other generous freedom movement donors.

In all, our ambitious ***Breakthrough 2016*** battle plan to take on the government unions and advance freedom will require **\$8.39 million** to be fully funded.

Given the remarkable record of success, unparalleled momentum, and proven, battle-tested strategy State Policy Network has generated, as I described above, I hope you will be convinced that your maximum gift to SPN right now makes such good sense.

May I count on your critical support today,

I assure you, your donation of **\$100, \$250, \$500, \$1,000 – or perhaps even \$5,000, \$10,000 or more**, if possible – will be most welcome and put to immediate use in our ***Breakthrough 2016*** offensive in the states.

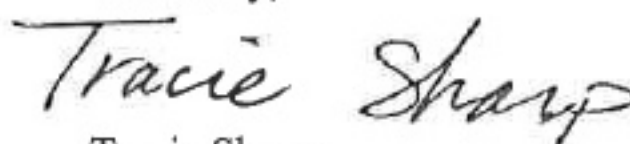
It will make possible all the critical infrastructure development, legal aid, persuasive message development, effective and aggressive online and social media advertising, and the deployment of SPN Rapid Response teams to key battleground states necessary for our proven strategy to win.

And win BIG we will surely do, with your help.

We have an opportunity to create historic momentum for freedom in the states that will have far-reaching consequences – especially as the country chooses new leadership later this year.

Now is the time to change America. We can do it with your help!

Gratefully,



Tracie Sharp
President

P.S. , we have opportunities *right now* to knock down the most powerful weapon in the Left's arsenal this year – the government unions. Allowing us to win big victories in the states to block Obamacare, cut taxes, cut regulations, give parents more control over their children's education, and a host of other issues.

As I mentioned above, we have just been awarded a **\$1,000,000 matching gift challenge**, giving a major boost to our ***Breakthrough 2016*** campaign plan.

With this generous challenge in effect, every dollar you give right now will be matched. Your donation will be doubled – matched DOLLAR FOR DOLLAR – until May 27. The more generous you can be, the more our shared cause will benefit.

PLEASE, I ask you to help us take full advantage of this generous offer before it expires. Your donation of \$100, \$250, \$500, \$1,000, \$5,000, \$10,000 or more will be most appreciated as it is DOUBLED IN IMPACT and immediately invested in our battle-tested victory model to advance freedom in the states.

BREAKTHROUGH 2016

A State-by-State Plan to Liberate Americans from Coercive Government Unions

To: Tracie Sharp, President/CEO
State Policy Network
1655 North Fort Myer Drive, Suite 360
Arlington, VA 22209

From:

BT1610

Dear Tracie,

- ☐ *Thank you* for sharing with me your bold plan – **BREAKTHROUGH 2016** – to win America's future. I am thrilled that SPN's "durable infrastructure for freedom" has grown to overcome even the vast political power of the Big Government unions!
- ☐ *I am encouraged* by your bold state-by-state plans to end the stranglehold of government union bosses on state budgets across America. I understand we have many opportunities to rein in coercive government unions this year – not just to expand workplace freedom, but even to defund the Left and break its stranglehold on government.
- ☐ *I realize a generous \$1,000,000 matching challenge grant is now in effect until May 27 to help boost your urgent appeal for America's future!* To help ensure that State Policy Network is fully equipped to take utmost advantage of our opportunities to increase freedom and prosperity across America in 2016 and beyond, I realize SPN's \$8.39 million **Breakthrough 2016 campaign** must be fully funded now. I am proud to support State Policy Network with my most generous-possible, tax-deductible contribution in the amount of:

___ \$100 ___ \$250 ___ \$500 ___ \$1,000 ___ \$2,500
___ \$5,000 ___ \$10,000 ___ \$25,000 ___ Other: \$ _____

Payment method (please check one)

☐ Check (make check payable to: State Policy Network)

☐  ☐  ☐  ☐ 

CARD # _____

EXP. DATE _____

SECURITY CODE _____

NAME ON CARD _____

CARDHOLDER'S SIGNATURE _____



STATE POLICY
NETWORK

State Solutions. National Impact.

State Policy Network is recognized by the IRS as a non-profit organization under Section 501(c)(3).
All donations are tax-deductible to the fullest extent of the law.

Did you know that workplace freedom may become reality for all public employees across the country in 2016? **Come be a part of history!**

Friedrichs v. CTA U.S. Supreme Court Monday, January 11th

Join us to show your support for California teacher Rebecca Friedrichs and teachers across the country who deserve the right to decide for themselves whether or not they want to belong to and financially support a union.

RALLY SCHEDULE

- 6:00 pm Pre-rally working dinner (on Jan. 10) at Heritage Foundation, 214 Massachusetts Ave NE
- 7:30 am Breakfast at Heritage Foundation
- 8 – 9:00 am Depart for Supreme Court rally
- 9 – 12:30 pm Rally on the Supreme Court steps, 1 First Street NE

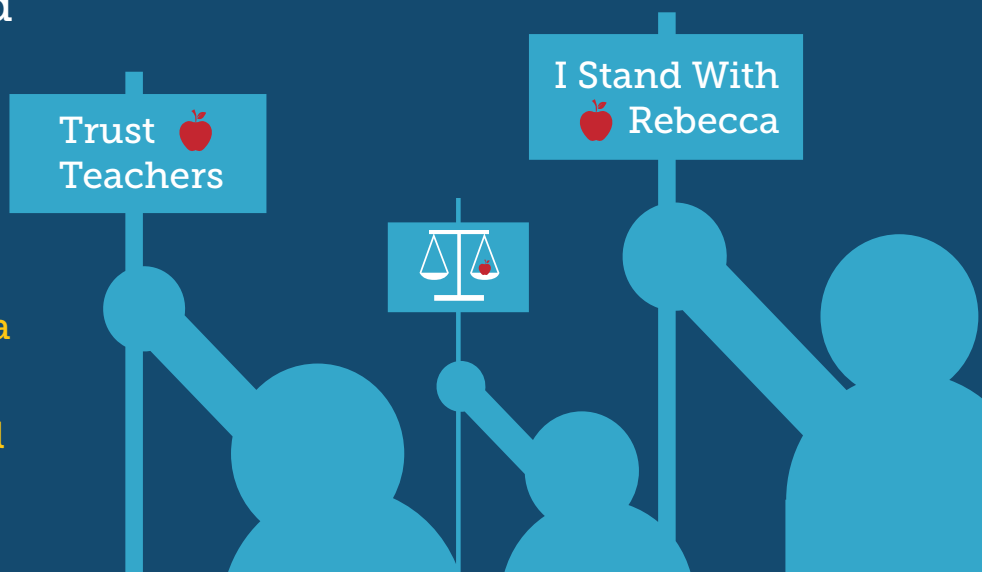
Raise awareness and show your support for Rebecca:



@Rights4Teachers
#IStandWithRebecca



Center for Individual Rights



RSVP or for more info, contact
Jennifer Daniels, 202-243-9081
JenniferHDaniels@gmail.com

SPN

STATE POLICY
NETWORK

STAND WITH MARK JANUS!

JANUS V. AFSCME RALLY



No American should be forced to pay a political organization to work in public service. Yet this requirement is imposed on more than 5 million government workers in 22 states. On Monday, February 26, the Supreme Court will hear oral arguments in the case Janus v. AFSCME. The plaintiff in this case is Mark Janus, a child support specialist from Illinois, and he is standing up for all government workers' First Amendment rights. If Mark's case is successful, the Supreme Court will end the injustice of mandatory union fees, and restore workers' rights to freedom of speech and association, finally giving them a choice and a voice in union membership.

JOIN STATE POLICY NETWORK AND THE LIBERTY JUSTICE CENTER ON MONDAY, FEBRUARY 26th, FOR A RALLY OUTSIDE THE SUPREME COURT TO STAND WITH MARK AND STAND WITH WORKERS!

LEARN MORE AND RSVP AT: [STANDWITHWORKERS.ORG/EVENTS](http://standwithworkers.org/events)

7:45 AM Meet at staging area: Heritage Foundation, 214 Massachusetts Ave. NE, Washington, DC 20002. Continental Breakfast available.

8:45 AM Rally kicks off! Supreme Court Steps, 1 First St. NE, Washington, DC 20543.

9:00 AM Podium speeches begin! Wave your signs and show your support!

12:30 PM Rally concludes.

We expect it to be cold, so dress warm! We'll have Stand with Workers hats available to first rally attendees to arrive!

Please contact Chantal Lovell at lovell@spn.org with any questions.



MEETING OF THE BRADLEY IRA COMMITTEE

*Tuesday, November 12, 2013, 8:45 a.m.
Rader Conference Room
Milwaukee, WI*

[CONFIDENTIAL]

B. Employee rights

Report: Capital Research Center's Bradley-supported conference on state labor policy

In early October, with Bradley IRA support, the **Capital Research Center** (CRC) hosted a day-long conference on state labor policy in Washington, D.C., for about 75 state policymakers, policy researchers and analysts, and activists from 15 states. Very many of those who work with Bradley on these and related issues, national and locally, were either part of the program or in attendance.

The conference agenda is included within this tab. It includes Grover Norquist of the **Americans for Tax Reform Foundation**, Paul Kersey of the Illinois Policy Institute, and James Sherk of **The Heritage Foundation**. Norquist actively participated in and Kersey helped facilitate Bradley's May 2003 Working Group on Employee Rights at the **Hudson Institute** in Washington.

Bradley's grantmaking program in employee rights grew out of this Working Group. In its early years, of course, it began by doing much work to successfully head off the then-proposed "card-check" legislation that would have artificially puffed up union rolls for years.

After the 2003 Working Group meeting, Kersey became labor-policy director at the **Mackinac Center for Public Policy**, where he helped put together the intellectual foundation for the aggressive Michigan labor-policy reform that resulted in it becoming a right-to-work state late last year.

The CRC conference also prominently included Wisconsin Secretary of Administration Mike Huebsch, a former state legislator himself, to deliver lessons that Wisconsin has learned on labor-policy and public-pension reform and talked about how Wisconsin can be a good model for other states and localities. (The Implementation and Impact

Wisconsin Secretary of Administration Mike Huebsch, a former state legislator himself, delivered lessons that Wisconsin has learned on labor-policy and public-pension reform and talked about how Wisconsin can be a good model for other states and localities.



Wisconsin Secretary of Administration Huebsch



Montana St. Sen. Art Wittich queries Wisconsin panelists



Center for Union Facts' Rick Berman

Committee report in materials for the full Board meeting contains a report on Bradley grantees and projects at work on the reform of public-sector retirement benefits.)

Other Bradley grantees represented on the CRC program included the **American Legislative Exchange Council's** Center for State Fiscal Reform (about which see the recommendation pending from the Implementation and Impact Committee), the **Center for Union Facts** (about which see the following recommendation in this section of these materials), the **Goldwater Institute's** Center for Constitutional Litigation, the **MacIver Institute** (about which see the pending recommendation from the Legacy Committee), the **Manhattan Institute for Policy Research**, the **National Right to Work Legal Defense Foundation** (about which see the also-following recommendation in these materials), and the **State Policy Network**. There was a speaker from the U.C. Chamber of Commerce, as well; Bradley supports the **U.S. Chamber of Commerce Foundation**.

CRC plans on preparing a publication based on the day's presentations and feedback for distribution to more state legislators and others.

State Labor Reform Conference
sponsored by the Capital Research Center
at the University Club
Washington, D.C., October 4, 2013

9:00 – 9:15 Welcome

- Terry Scanlon, President, Capital Research Center

9:15 – 10:30 Coalitions and Communications

- Jennifer Butler, Vice President of External Relations, State Policy Network
- Jonathan Williams, Director of the Center for State Fiscal Reform, American Legislative Exchange Council
- Rick Berman, Executive Director, Center for Union Facts
- Moderator: Steven Allen, Senior Editor, Capital Research Center

10:30 – 10:45 Break

10:45 – 12:00 Lessons from Wisconsin

- Mike Huebsch, Secretary of Administration and former Assembly Speaker for the State of Wisconsin
- Jennifer Toftness, Chief of Staff to Wisconsin State Assembly Speaker Robin Vos
- Brett Healy, president, MacIver Institute, and former Chief of Staff to the Wisconsin State Assembly Speaker
- Moderator: Scott Walter, Executive Vice President, Capital Research Center

12:00 – 12:15 Break

12:15 – 1:30 Lunch

- Master of Ceremonies: Terry Scanlon, President, Capital Research Center
- Keynote Address: Grover Norquist, President, Americans for Tax Reform

1:30 – 1:45 Break

1:45 – 3:00 Lessons from Michigan

- Patrick Colbeck, Senator for the 7th District, Michigan State Legislature
- F. Vincent Vernuccio, Director of Labor Policy, Mackinac Center for Public Policy
- Terry Bowman, UAW member and Founder, Union Conservatives
- Moderator: Paul Kersey, Director of Labor Policy, Illinois Policy Institute

3:00 – 3:15 Break

3:15 – 3:45 Preventing and Responding to Legal Challenges

- Introduction: Terry Scanlon, President, Capital Research Center
- Raymond LaJeunesse, Vice President and Legal Director, National Right to Work Legal Defense Foundation

3:45 – 5:00 Beyond Right to Work

- James Sherk, Senior Policy Analyst in Labor Economics, Heritage Foundation
- Diana Furchtgott-Roth, Senior Fellow, Manhattan Institute for Policy Research
- Christopher Prandoni, Federal Affairs Manager, Americans for Tax Reform
- Taylor Earl, Staff Attorney, Scharf-Norton Center for Constitutional Litigation at the Goldwater Institute
- Moderator: Glenn Spencer, Vice President of the Workforce Freedom Initiative, U.S. Chamber of Commerce

5:00 – 6:00 Cocktail Reception co-sponsored by the Mackinac Center for Public Policy

GRANT PROPOSAL RECORD

National Right to Work Legal Defense Foundation

ADDRESS:

8001 Braddock Road
Springfield, VA 22160

CONTACT:

Mr. Mark Mix

AMOUNT REQUESTED: \$100,000

STAFF RECOMMENDATION: \$75,000

PROJECT TITLE: To support general operations

**BOARD MEMBERS AFFILIATED
WITH REQUEST:**

STAFF: Mike Hartmann

MEETING DATE: 11/12/2013

PROPOSAL ID#: 20130855

BACKGROUND: The National Right to Work Legal Defense Foundation (NRTWLDF) in Springfield, Va., requests a \$100,000 grant award in renewed support of its general operations.

In dozens of cases before the courts and the National Labor Relations Board (NLRB), and in the public discourse, NRTWLDF represents, counsels, and otherwise speaks for those individual employees whose rights are threatened by or subjected to the coercive union power of Big Labor. Founded in 1968 by employee-rights activist Reed Larson, its president is now Mark Mix, a longtime NRTWLDF official. Its vice president and legal director is Ray LaJeunesse, Jr., who spoke last month at the Capital Research Center's Bradley-supported conference on state labor policy (about which see the previous report in this section of these materials).

Its 17 in-house attorneys are currently litigating almost 200 cases and administrative actions in all 50 states.

In a resounding legal victory for the rights of a group of teachers in Washington State represented by NRTWLDF, the U.S. Supreme Court unanimously ruled six years ago in *Davenport v. Washington Education Association* that state "paycheck-protection" laws can require unions to get the permission of their dues payers to spend those dues for political purposes.

Last year, in another NRTWLDF victory at the Supreme Court, the Court ruled that unions must give nonmembers an immediate chance to object to unexpected fee increases or special assessments that all workers are required to pay in closed-shop situations. The *Knox v. Service Employees International Union (SEIU)* decision concluded a prolonged legal challenge affecting some 36,000 California government employees initiated by eight California civil servants who filed a class-action lawsuit against SEIU.

As twice previously referenced in these materials, Bradley has always expressed a particular interest in combating coercive union power as exercised through the anti-democratic "card-check" process, whether it is enhanced by new legislation or not. NRTWLDF's litigation and other activities emphasize the same interest. Union officials have taken their failed battle to pass card check behind the scenes and, understandably and predictably, are continuing to work to implement their agenda *via* new regulations and by setting dangerous NLRB and court precedents. As continuously, NRTWLDF effectively fights this lower-profile battle.

With the help of attorneys from NRTWLDF and the Bradley-supported Wisconsin Institute for Law & Liberty, three Wisconsin civil servants asked the Seventh Circuit Court of Appeals to uphold Gov. Scott Walker's public-sector union-reform measures in Act 10. The court upheld Act 10 last September.

Other NRTWLDF work is trying to stop the threat of forced unionism in new employment sectors. New union targets include doctors, nurses, home-care workers, graduate students, airport screeners, temp workers, charter-school teachers, and independent contractors.

It is also fighting union-only project labor agreements and "labor-peace" ordinances.

Budget information: NRTWLDF's overall 2013 expense budget is \$6,350,000. Its other sources of philanthropic support have regularly included the Castle Rock, Shelby Cullom Davis, Jaquelin Hume, and Roe Foundations -- longtime close Bradley allies all.

STAFF INFORMATION: Big Labor and the trial attorneys, which the legal-reform component of Bradley's Implementation & impact sector similarly tries confronting, are the two principal funding pillars of the left. NRTWLDF is aggressive and admirably uncompromising in its pursuit of vindicating and expanding employee rights in the face of Big Labor's infringements on them.

Staff thus recommends another \$75,000 general-operations IRA investment in NRTWLDF. If awarded, this would be the same level of Bradley support as last year's.

National Right to Work Legal Defense Foundation

Grant History

21 October 2013

Project Title	Grant Amount	Approved	Fund
To support general operations	\$25,000	12/11/2012	Donor Intent Program
To support general operations	\$75,000	11/13/2012	Regular
To support general operations	\$25,000	12/5/2011	Donor Intent Program
To support general operations	\$65,000	11/8/2011	Regular
To support general operations	\$24,000	12/2/2010	Donor Intent Program
To support general operations	\$75,000	11/9/2010	Regular
To support general operations	\$75,000	11/10/2009	Regular
To support general operations	\$75,000	8/19/2008	Regular
To support general operations	\$75,000	8/21/2007	Regular
To support general operations	\$75,000	8/22/2006	Regular
To support litigation against the California Teachers Association	\$50,000	11/8/2005	Regular
To support general operations	\$100,000	8/23/2005	Regular
To support general operations	\$90,000	8/17/2004	Regular
To support general operations	\$72,500	8/26/2003	Regular
Grand Totals (14 items)	\$901,500		

Report on *Friedrichs v. California Teachers Association* and recommendations

Under current labor-relations law, in an “agency shop,” an employer may hire union or non-union employees, and employees need not join the union in order to remain employed. Any non-union worker, however, can be forced to pay an “agency-shop” fee to cover the union’s collective-bargaining costs, as a condition of employment.

Where agency shops are illegal, as is common in labor law governing American public-sector unions, a “public-sector agency-shop” or “fair-share” provision may be agreed upon by the government employee and the union. If so, the non-union employees may be forced to pay a “fair share” to the union to cover its costs of collective bargaining, as a condition of employment.

Abood

The U.S. Supreme Court upheld such “fair-share” fees in its 1977 *Abood v. Detroit Board of Education* decision against a challenge claiming that they violated employees’ constitutionally guaranteed First Amendment rights of speech and association. Half of the states, according to the liberal Economic Policy Institute, allow these fees, as shown in the map below.

States that allow “fair-share” fees



While there were three concurrences in *Abood*, there were no dissents. No Justice on the *Abood* Court remains on the Court.

Harris

In its 2014 *Harris v. Quinn* decision, by a vote of 5-4, the Supreme Court held that the collection of “fair-share” fees from home health-care providers who have chosen not to be a member of a union violated

those workers' First Amendment rights. The *Harris* majority opinion, by Justice Samuel Alito, undermined the legitimacy of the *Abood* precedent and all but invited a future request to actually outright overturn it.

More specifically, in *Harris*, Alito drew a seemingly almost-provisional legal distinction between state and local employees that it would consider to be "full-fledged" public-sector employees and workers to be considered something different from that -- "partial public employees," such as the home health-care workers looking after a patient or two or home child-care workers looking after a child in the privacy of a household -- for purposes of union organization.

Alito's opinion was joined by Chief Justice John G. Roberts and Associate Justices Antonin Scalia, Anthony Kennedy, and Clarence Thomas. A dissenting opinion was written by Justice Elena Kagan, joined by Ruth Bader Ginsburg, Stephen Breyer, and Sonia Sotomayor.

Friedrichs

In January of this year, with the same lineup of Justices from *Harris*, the U.S. Supreme Court heard oral arguments in *Friedrichs v. California Teachers Association*. The plaintiffs in *Friedrichs* are 10 California public-school teachers and members of the Christian Educators Association International group who work in public schools -- all of whom would have to be considered "full-fledged" public employees. In *Friedrichs*, the Court is considering whether forcing these employees to pay "fair-share" fees to a union of which they have chosen *not* to be a member, as a condition of their employment, violates their First Amendment rights.

The plaintiff teachers in *Friedrichs* are asking the Court to:

1. overrule *Abood*, as Alito arguably asked somebody to do someday right in *Harris*; and,
2. require that non-union public employees actually outright affirmatively consent to paying any fee to a union for its collective bargaining on their behalf, through explicit written authorization.

There are approximately 6.2 million unionized state, city, county and school-district employees in America. By some estimates, if the Court decides for the plaintiffs in *Friedrichs* and one to two million of these workers stop paying union fees, public-sector unions could be out between \$500 million to \$1 billion a year. The leftist *In These Times* calls *Friedrichs* a case "that could decimate American public sector unionism."

The Bradley Foundation has supported the *Friedrichs* case through previous general-operations grants to the Center for Individual Rights (CIR), which represents some of the plaintiffs, and the Judicial Education Project, which has helped coordinate the preparation and filing of *amicus curiae*, or "friend-of-the-court," briefs with the Court in the case. Eleven Bradley-supported organizations submitted *amicus* briefs.

Should the Supreme Court divide 4-4 in *Friedrichs*, the Ninth Circuit Court of Appeals' November 2014 decision in the case would stand. The three-judge Ninth Circuit panel affirmed a district-court finding for the defendant unions.

The *Friedrichs* decision likely will come near the end of the Court's current term in late June or early July.

On February 13, Scalia died. Should the Supreme Court divide 4-4 in *Friedrichs*, the Ninth Circuit Court of Appeals' November 2014 decision in the case would stand. The three-judge Ninth Circuit panel affirmed a district-court finding for the defendant unions.

Following in subtab A is a Grant Proposal Record (GPR) recommending renewed support of CIR, though still for its general operations more broadly. In subtab B's GPR, staff recommends further significant

support of the Freedom Foundation to continue its aggressive education of public-sector employees about their rights, whatever they are post-*Friedrichs*, with a new office in the heavily unionized state of California.

GRANT PROPOSAL RECORD

Center for Individual Rights

ADDRESS:

1233 Twentieth Street NW, Suite 300
Washington, DC 20036

CONTACT:

Mr. Terence J. Pell

AMOUNT REQUESTED:

Unspecified

STAFF RECOMMENDATION:

\$100,000

PROJECT TITLE:

To support general operations

**BOARD MEMBERS AFFILIATED
WITH REQUEST:**

George

STAFF:

Mike Hartmann

MEETING DATE:

2/23/2016

PROPOSAL ID#:

20160005

BACKGROUND: The Center for Individual Rights (CIR) in Washington, D.C., requests a grant award in renewed support of its general operations.

Founded in 1989, CIR is dedicated to the defense of individual liberties against the increasingly aggressive and unchecked authority of federal and state governments. With a small staff of four, it aggressively litigates and publicizes a handful of carefully selected cases.

Its president is Terence J. Pell, former general counsel and chief of staff at the Office of National Drug Control Policy and before that, deputy assistant secretary for civil rights in the U.S. Department of Education. Its general counsel is Michael E. Rosman.

CIR's board is chaired by George Mason Law School professor Jeremy A. Rabkin and includes Bradley Prize recipient and Princeton University president Robert P. George, William E. Simon Foundation president James Piereson, Hillsdale University president Larry Arnn, and retired Katten Muchin Rosenman lawyer Gerald Walpin.

Friedrichs

It has spent almost all of its institutional energy during the past year and a half on what at least was the potentially pathbreaking *Friedrichs v. California Teachers Association* case currently pending before the U.S. Supreme Court and described in the report at the beginning of this Tab.

CIR's Rosman is joined in *Friedrichs* by Jones Day civil-rights attorney Michael A. Carvin and three of his colleagues on behalf of the plaintiffs. Carvin served on CIR's original board.

Other pending cases

CIR currently has five other pending, non-*amicus curiae*, or "friend-of-the-court," cases.

Sexual-assault investigations on campus

Last May, CIR also filed a federal lawsuit challenging the one-sided procedures recently adopted by many colleges and universities to investigate and punish sexual assault. In *Doe v. Alger*, it represents a young student at James Madison University (JMU) in Harrisonburg, Va., who was found not guilty of rape by an impartial panel -- then convicted and suspended for five-plus years by a secret faculty-appeal panel on the basis of unsubstantiated and contradictory written statements concerning the victim's consumption of alcohol on the night in question.

JMU's policies and procedures to combat that which is considered by many on the Left to be a "rape culture" on campus are in accord with those pushed by the U.S. Department of Education.

Race-based diversity scholarships

Last June, CIR filed a federal lawsuit in Connecticut on behalf of University of Connecticut student Pamela Swanigan. A graduate student in English at UConn, Swanigan was not allowed to compete for a highly prestigious, merit-based scholarship despite being the top applicant the year she applied. Instead, she was routed into an academically less prestigious Multicultural Scholars Award, which is designed to increase diversity. This happened solely because of her race -- she is both African-American and white.

One-race elections

Last November, CIR moved for summary judgement in its federal class-action suit against a publicly funded race-exclusive plebiscite on whether Guam should seek independence from the U.S., statehood, or some other relationship. *Davis v. Guam* is similar to a challenge to a publicly funded race-exclusive election to determine leadership in a nativist Hawaiian political entity that is currently pending before the

U.S. Court of Appeals for the Ninth Circuit. (The Bradley-supported Public Interest Legal Foundation represented the Bradley-supported American Civil Rights Union as an *amicus*.)

"Fair use" and copyright abuse to silence criticism

And CIR is representing blogger Irina Chevaldina, who is being sued for copyright infringement for using a photo of real-estate developer Raanan Katz, part owner of the Miami Heat. CIR took the case to prevent the silencing of blogger criticism through a manipulative use of the copyright laws. The legal wrinkle in the case: Katz had purchased the photo from the photographer in order to *prevent* its further publication.

CIR and Chevaldina argue that its use on her blog fits within the definition of permissible "fair use" nonetheless. The U.S. Court of Appeals for the Eleventh Circuit has ruled in favor of Chevaldina, and Katz is considering his next legal move.

Hate crimes "because of religion"

In *Miller v. United States*, CIR client Kathryn Miller and other Amish appealed their convictions under the federal hate-crimes law for forcibly shaving the beards and cutting the hair of other Amish. The federal hate-crimes law criminalizes violent acts performed "because of religion."

In 2014, while the U.S. Court of Appeals for the Sixth Circuit recognized that religion was at least one motivation for the attacks, it held that the trial judge erred by not instructing the jury that the prosecution had to prove beyond a reasonable doubt that religion was a "but for" cause of them -- that is, that the attacks would not have happened absent the defendants' religious motivation. The court accordingly reversed the defendants' convictions and ordered a new trial, which has not yet occurred.

Budget information: CIR's overall 2016 expense budget is \$2,530,918.36, approximately the same as 2015's.

Its non-anonymous \$100,000+ philanthropic supporters are the Bloomfield Family, F.M. Kirby, and Sarah Scaife Foundations, and Lars E. Bader.

STAFF RECOMMENDATION: The "lean-and-mean" CIR did a masterful job putting together and then shepherding *Friedrichs* to its current status at the Supreme Court. Its other pending cases have some promise of shaping law in a positive direction, too.

Staff thus recommends a \$100,000 grant to CIR for its general operations. If awarded, this would be a \$25,000 increase over that last given by Bradley, in 2014.

Center for Individual Rights

Grant History

Project Title	Grant Amount	Approved	Fund
To support general operations	\$75,000	11/11/2014	Regular
to support general operations	\$80,000	11/12/2013	Regular
To support general operations	\$70,000	11/13/2012	Regular
To support general operations	\$80,000	11/8/2011	Regular
To support general operations	\$90,000	11/9/2010	Regular
To support general operations	\$90,000	11/10/2009	Regular
To support general operations	\$90,000	11/18/2008	Regular
To support general operations	\$90,000	11/13/2007	Regular
To support general operations	\$75,000	11/7/2006	Regular
To support general operations	\$100,000	11/8/2005	Regular
To support general operations	\$100,000	11/9/2004	Regular
To support general operations	\$100,000	11/4/2003	Regular
To support general operations	\$100,000	11/12/2002	Regular
To support general operations	\$100,000	11/13/2001	Regular
To support general operations	\$100,000	11/14/2000	Regular
To support general operations	\$100,000	11/16/1999	Regular
To support general operations	\$100,000	11/17/1998	Regular
To support general operations	\$90,000	11/18/1997	Regular
To support civil rights litigation in California	\$50,000	2/25/1997	Regular
To support general operations	\$90,000	9/23/1996	Regular
To support general operations	\$90,000	11/27/1995	Regular
To support the "Against Bureaucracy" litigation program	\$100,000	9/26/1994	Regular
To support the "Against Bureaucracy" litigation program	\$100,000	9/27/1993	Regular
To support the activities of the Academic Freedom Fund	\$200,000	6/17/1991	Regular
To support general operations	\$25,000	10/22/1990	Regular
To support general operations	\$25,000	8/28/1989	Regular
Grand Totals (26 items)	\$2,310,000		

GRANT PROPOSAL RECORD

StudentsFirst Institute

ADDRESS:

28212 Kelly Johnson Pkwy., Suite 105
Valencia, CA 91355

CONTACT:

Mr. Jim Blew

AMOUNT REQUESTED: \$100,000

STAFF RECOMMENDATION: \$100,000

PROJECT TITLE: To support litigation

**BOARD MEMBERS AFFILIATED
WITH REQUEST:**

STAFF: Mike Hartmann

MEETING DATE: 11/10/2015

PROPOSAL ID#: 20150838

BACKGROUND: The StudentsFirst Institute (SFI) in Valencia, Calif., requests a \$100,000 grant award in first-time support, for its federal *Bain v. California Teachers Association* lawsuit.



Rhee

Founded in 2010 by former District of Columbia schools chancellor Michelle Rhee, SFI researches and conducts public education about two public-policy reforms -- school choice and merit pay for teachers. It is the (c)(3) affiliate of the (c)(4) StudentsFirst, which supports the same policy goals and is currently pursuing them in 11 particular states where the education-reform infrastructures are in need of bolstering.

SFI's and StudentsFirst president is the experienced Jim Blew, who previously led The Walton Family Foundation's school-choice team and advised Walton family members on their own philanthropic and other giving. Before his years at Walton, when it worked very closely with Bradley, Blew worked for two Bradley-supported organizations -- the Alliance for School Choice and the American Education Reform Council.

SFI's and StudentsFirst boards are chaired by Rhee and include Rev. Floyd H. Flake, CNN's Roland S. Martin, and ABC/ESPN announcer and analyst Jalen Rose.



Bain

Bain v. CTA is a suit brought by teachers who are union members against their unions to stop coercive practices that compel the teachers to support the unions' political activities against their will. The three plaintiffs are all teachers in California. April Bain is a proud union member who doesn't want to be forced to choose between union membership and political causes that aren't connected to the classroom.

Her fellow plaintiff and union member Bahrain Bhakti delivered powerful testimony in California's *Vergara v. California* decision (about which see the Partnership for Educational Justice recommendation in § 2.A. of these materials), which found several state statutes unconstitutional under the state constitution there because they facilitated the retention of grossly ineffective teachers and thus denied equal protection to students assigned to those teachers. Bhakti described being laid off at the end of almost every school

year during her first nine years of teaching.

Their fellow plaintiff Clare Sobetski worked on President Barack Obama's 2008 election campaign, then became a Teach for America corps member, and is her school's union representative. She believes unions should be required to make an argument to their members about the need for and efficacy of any political contributions they all collectively make.

Their case was filed last April in the U.S. District Court for the Central District of California in Los Angeles. The plaintiffs are represented by a team led by Theodore J. Boutrous, Jr., of Gibson Dunn's Los Angeles office.

The defendants in the case are local, state, and national teachers' unions, including the California Teachers Association, the National Education Association, and the American Federation of Teachers.

In September, the District Court granted the teachers' unions' motion to dismiss the case. The judge seemed to agree with much of the plaintiffs' arguments -- but then concluded that the unions are not state actors, but rather private entities acting without the blessing of the state, and that they thus cannot violate free-speech rights.

At this writing, the plaintiffs plan to appeal the decision to the Ninth Circuit Court of Appeals.

Budget information: SFI's 2015-17 budget for the *Bain* litigation ambitiously totals \$6,493,788. The

Friedrichs and Bain

Should *Bain* reach the U.S. Supreme Court, it would do so after another important suit from California that could also substantially reduce teachers'-union revenues. *Friedrichs v. California Teachers Association* challenges the unions' practices in 25 agency-fee states of charging *non*-union teachers a mandatory "agency fee" -- which the unions call a "fair-share fee" -- to cover the costs of representing non-union members in collective bargaining.

Bradley is already supporting the *Friedrichs* case through grants to the Center for Individual Rights and the Judicial Education Project.

It will be considered by the Supreme Court sometime during the October 2015 Term. If *Friedrichs* is fully successful, an estimated 100,000 non-union teachers across the country would no longer be required to pay mandatory agency fees. Agency fees typically run about two-thirds of membership dues and roughly range between \$500 and \$800 per year. Should the unions lose agency fees, they would lose an estimated \$60 million annually. (If given the opportunity to opt out of the union *and* not pay the agency fee, moreover, many other teachers could be expected to drop their union memberships.)

Friedrichs and *Bain* apply to two separate groups of teachers:

1. those who do not want to pay the agency fee (*Friedrichs*); and,
2. those who are willing to pay for membership benefits, but who do not want to be coerced to support the unions' political activity (*Bain*).

While the cases affect different groups of teachers, the combination of both cases could hypothetically be a powerful one-two punch. If both revenue streams are reduced or dried up, all that would remain to fund the unions' political apparatus would be the hard-core teacher members who embrace their leaderships' *status quo*, anti-reform policies and the politics of one party.

largest component of this is the capped legal fees either already charged or anticipated for Gibson Dunn (\$818,880 in 2015, \$974,384 in 2016, and \$363,802 in 2017). The rest is for communications and outreach, including conferences and the various normal online presences.

It has already secured commitments totaling just more than \$1 million toward litigation costs and had "soft commitments" totaling another \$400,000 to cover an appeal to the Court of Appeals and \$500,000 for any appeal to the U.S. Supreme Court.

STAFF RECOMMENDATION: Each year, teachers' unions in America collect an estimated total of more than \$2 billion from rank-and-file teachers, at least \$500 million of which is used to support overt political activities at all levels of government -- from local school boards to the presidency.

If *Bain* is ultimately successful, even unionized teachers would no longer be forced to fund their unions' political activities. Teachers who chose not to support and fund the unions' political activity would be allowed to pay for and receive full membership benefits. As a result, the teachers' unions would have to raise political donations the same way as everyone else — through voluntary contributions.

Staff thus recommends a \$100,000 IRA investment in SFI for its *Bain* suit.

StudentsFirst

Grant History

Project Title	Grant Amount	Approved	Fund
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-- NONE --



Board of Directors

The Lynde and Harry Bradley Foundation

The Barder Fund

August 18, 2015

OUTLINE

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SUMMARY

- After the June Board meeting, \$4,405,355 had been awarded out of the Barder Fund's 2015 budget. Therefore, \$3,594,645 remains.
- Barder's three state-infrastructure and three family grantees have only just begun to work on the projects for which they sought support, and some have made early progress.
- Staff has conducted an internal evaluation of the quality and promise of states' existing infrastructures to better inform its grantmaking in the area moving forward -- concluding that eight states warrant further, more in-depth review.
- Staff thus here recommends a separate, \$25,000 grant to the Capital Research Center for a report on any potential grantmaking opportunities in these states by the executive director of the Interstate Policy Alliance.

TABLE 1: Status of Barder Fund grants and authorizations, by approved focus areas

	2014 grants and authorizations	2015 grants and authorizations
Higher education	<p>\$50K to Foundation for Excellence in Higher Education (FEHE) in Aug.</p> <p>\$3M to FEHE in Nov.</p>	
Local capital	<p>\$1M to Milwaukee Art Museum in Aug.</p> <p>\$500K to War Memorial in Nov.</p> <p>\$500K to WisconsinEye in Nov.</p>	
State infrastructure	<p><i>\$1.5M authorized in Nov. for RFP grants in 2015</i></p>	<p><i>Add'l \$2,655,355 authorized in June for RFP grants in June</i></p> <p>\$1.5M/3 yrs. to Civitas Institute and John Locke Foundation</p> <p>\$1.5M/3 yrs. to Freedom Foundation, w/ encouragement to work w/ Washington Policy Center and Cascade Policy Center</p> <p>\$1,155,355/3 yrs. to Wisconsin Institute for Law & Liberty, w/ encouragement to work w/ Wisconsin Policy Research Institute</p>
Family	<p><i>\$1.5M authorized in Nov. for RFP grants in 2015</i></p>	<p><i>Add'l \$1.75M authorized in June for RFP grants in June</i></p> <p>\$1.25/3 yrs. to American Conservative Union Foundation, working w/ Sutherland Institute</p> <p>\$1.5M/3 yrs. to Georgia Center for Opportunity</p> <p>\$500K/yrs. to Manhattan Institute</p>
K-12 education		
Public discourse		
TOTAL	\$8.05M	\$4,405,355 out of \$8M 2015 budget

I. Progress to date

A. State infrastructures

Brief reports on the early progress to date of the three Barder state-infrastructure grantees are below. Staff plans regular, quarterly reports on this progress, carefully distinguishing between outputs and outcomes.

	Outputs	Outcomes
Civitas Institute and John Locke Foundation (North Carolina)		
The Barder grant of \$1.5 million over three years to Civitas and John Locke was to "create a comprehensive communications infrastructure around for primary elements: radio, online content aggregation, mobile applications, and an AP-style news service for local newspapers," according to their submission.		
<i>What Matters</i> with Chad Adams, a daily online radio show on state and local issues that streams on the Freedom Action Network at freedomactionnetwork.com , has been launched. Over the-air radio stations are currently considering carrying <i>What Matters</i> , either live or on tape-delay. The broadcast facility to produce this show may be used by other North Carolina organizations for their own shows.	<i>What Matters</i> daily online radio show	
Contracts are being finalized to produce two new mobile apps, Carolina Transparency (carolinatransparency.com) and Mapping the Left (mappingtheleft.com). <i>What Matters</i> will have its own mobile app, too.		
An introductory Mapping the Left YouTube channel has garnered more than 173,000 views.	Mapping the Left YouTube channel	
Daily and weekly newspapers from around the state are currently being recruited to participate in the conservative news service.		
Freedom Foundation (Washington State), encouraged to work with Washington Policy Center and Cascade Institute (Oregon)		
<i>Washington</i>		
The Barder grant of \$1.5 million over three years to the Freedom Foundation was to expand its Union Transparency & Reform Project, including by opening an office in Portland.		

[Freedom Foundation (Washington State), encouraged to work with Washington Policy Center and Cascade Institute (Oregon) – cont'd]

(Washington – cont'd)

At this writing, the Freedom Foundation has hired 30 canvassers who have knocked on the 1,400 doors and spoken to 762 SEIU-member health-care service providers. One hundred forty-one opted out of the SEIU.

30 canvassers, 1,400 doors, 762 contacts

141 SEIU opt-outs

It also filmed, produced, and is now airing another in a series of television advertisements featuring a government-union member bullied by his or her union.

TV ad featuring government employee bullied by union

Oregon

The Freedom Foundation has leased office space in Salem, Ore., and is opening it this month.

Opened new office in Salem, Ore.

It also sent a letter to Oregon Gov. Kate Brown and purchased a full-page newspaper ad demanding that the state comply with the *Harris v. Quinn* U.S. Supreme Court decision or face a lawsuit. (*Harris* prohibits the collection of agency fees from those who do not wish to join or support a union.)

Sent letter to Governor, published full-page ad demanding compliance with *Harris*

And it is identifying potential health-care provider plaintiffs for a class-action suit against the state and the SEIU on the matter.

Wisconsin Institute for Law & Liberty, encouraged to work with Wisconsin Policy Research Institute

The Wisconsin Institute for Law & Liberty (WILL) was awarded a Barder grant of \$1,155,355 over three years to create a Center for Competitive Federalism (CCF) that will collaborate with others to engage in direct litigation and public education.

WILL is beginning a formal search for an attorney who will direct CCF. The Wisconsin Policy Research Institute is beginning to look for a journalist/researcher who will work on these issues.

B. Family

Brief reports on the early progress to date of the three Barder family grantees are below.

	Outputs	Outcomes
American Conservative Union Foundation, with Sutherland Institute		
<p>The American Conservative Union Foundation (ACUF) was awarded a Barder grant of \$1.5 million over three years to create a Family Prosperity Initiative (FPI), with the Sutherland Institute of Utah. According to ACUF's submission, FPI will have "strong research, analysis, communications, education, policy, and advocacy capabilities" and start a Family Prosperity Index.</p> <p>FPI is beginning to build and implement the model that will result in its first national Family Prosperity Index, a cross-state comparison currently slated for release next January. It then plans on tailoring the Index's results for reports on specific states and what policy reforms could perhaps be enacted to improve their rankings.</p> <p>The first two states on which FPI will concentrate in this stage are Utah and Wisconsin. In Utah, it will work with the Sutherland Institute. In Wisconsin, it will work with Wisconsin Family Action, the state's Focus on the Family affiliate.</p> <p>FPI is working with other think tanks and Focus on the Family affiliates across the country to broaden the list of states on which it will concentrate in the future.</p> <p>It will also be part of the program at the Bradley-supported World Congress of Families in Salt Lake City in October and next year's Bradley-supported CPAC conference.</p>		
Georgia Center for Opportunity		
<p>The Georgia Center for Opportunity (GCO) was awarded a Barder grant of \$1.5 million over three years to create a multi-pronged Healthy Families Initiative (HFI) "to measurably increase the number of healthy relationships, strong marriages, and stable families in metro Atlanta," according to its submission.</p> <p>GCO is assembling its HFI team, identifying and hiring staff members for the project. It is also scheduling and holding meetings with project</p>		

(Outputs)

(Outcomes)

[Georgia Center for Opportunity – cont’d]

partners, including Brad Wilcox and Rich Brake of the Bradley-supported Institute for Family Studies.

GCO has begun working with Calvin Edwards & Company, which will be conducting the evaluation of the effort, as well.

Manhattan Institute for Policy Research

The Manhattan Institute for Policy Research was awarded a Barder grant of \$500,000 over two years to, according to its submission, “identify the kinds of interventions that instill in at-risk youth the virtues and character traits that favor stable families” as part of its Initiative on Race, Culture, and Economics.

With the help of the Manpower Demonstration Research Corporation, the Manhattan Institute is formalizing its relationship with Virginia Commonwealth University's Susan Gooden, who will be the project's principal investigator.

II. Moving forward on state infrastructures

During its June meeting, the Board awarded substantial Barder state-infrastructure grants to groups at work in four states, as shown in MAP 1 on page 9, which also shows the nine states that have state-infrastructure grantees at work in them that are part of Bradley's regular grantmaking program. Twenty national regular-program grantees, in LIST 1 on page 9, help other groups in all state infrastructures across the country, including the Interstate Policy Alliance (IPA).¹

Another 26 states include one or more groups that made submissions in response to the Barder state-infrastructure RFP, as shown in MAP 2 on page 9, which also shows the four of these that include one or more groups whose submission was declined, but staff initially thought merited further review.²

At the June meeting, the Board requested an evaluation, preferably relying on quantitative measurement, of the quality and promise of all of the states' existing infrastructures to better inform its grantmaking in this area moving forward, too. TABLE 2 on pages 10 and 11 is the result of such an evaluation, by the characteristics of a successful state infrastructure outlined in August 2014's Barder Fund write-up for the Board (a reproduction of which is in the APPENDIX to this section on pages 14 through 22). MAP 3 on page 12 shows the states grouped in four tiers by the evaluation's resulting "scores." While numericized, the evaluation still reflects some subjective judgment, of course.

Of the 11 states in the top tier, nine have groups supported by either Barder or regular-program state-infrastructure grants. Bradley, in other words, is already heavily invested in the best state infrastructures. Staff recommends further investigating the top second-tier states for consideration as potential targets of opportunity for further Barder investment.

If going by "scores," the top four Tier 2 states are Georgia and three states in a tie -- California, Pennsylvania, and Virginia. Staff also recommends investigating four other states that show promise of significant improvement -- one Tier 1 state, Colorado, and three other Tier 2 states, Maryland, Missouri, and Ohio.

In the case of each of these target states, one or more groups already made an RFP submission, as shown in LIST 2 on page 13. They reflect what at least those local, "on-the-ground" groups considered to be priorities in bettering the infrastructure in each of the respective states. In most cases, the proposed project was quite broad.³

Specifically, ***staff recommends a \$25,000 grant to the Capital Research Center (CRC) in Washington, D.C., for a report to Bradley on these states, and any potential grantmaking opportunities in them, by IPA executive director Mike Saltsman.*** This grant would be separate and apart from the support of CRC being recommended to the IRA Committee.

Created at Bradley's behest in 2012 and with continuing Bradley support since then, IPA is a discreet channel for the better coordination and presentation of helpful, high-quality research on existing and proposed state-level, free-market policies around the country. It provides this research, too often "out of reach" for many small state think tanks, and customizes it for each state to achieve maximum credibility in local- and social-media outlets. The Searle Freedom Trust has joined Bradley in support of the project.

¹ Some of these regular-program grantees also made RFP submissions and one, the Goldwater Institute, both does work in Arizona and helps infrastructures and groups across the country develop legal components.

² One other submission, from the Americans for Prosperity Foundation, was considered to merit further review, as well, but was not state-specific.

³ In Georgia's case, there is already a major Barder investment in the family focus area -- though to the Georgia Center for Opportunity, not the Georgia Public Policy Foundation, which made a state-infrastructure submission.

The talented and energetic Saltsman's IPA experience has exposed him to many of the strengths and weaknesses of mid-sized state think tanks and conservative infrastructure around the county. Bradley already relies in large part upon his insights, and any additional observations and analysis would likely be very helpful.

Saltsman and CRC's Scott Walter worked closely with each other when Walter was still at Berman and Company. Both Saltsman and Walter, moreover, work well with other Bradley-supported grantees active in this area -- including the American Legislative Exchange Council (ALEC), the Americans for Tax Reform Foundation (ATRF), the State Policy Network, and many others.

If he does the report, staff has asked Saltsman to discreetly consult with ALEC's Lisa Nelson, ATRF's Grover Norquist, and Ned Ryun of the also-Bradley-supported American Majority.

MAP 1: States with infrastructures including Barder Fund and regular-program grantees

■ = Includes Barder Fund state-infrastructure grantee

■ = Includes state-infrastructure grantee in regular program



LIST 1: National grantees in Bradley's regular program that help state infrastructures

America's Future Foundation
American Legislative Exchange Council
American Transparency
Americans for Prosperity Foundation
Americans for Tax Reform Foundation

Center for Consumer Freedom
Colorado Christian University
Employment Policies Institute
(Interstate Policy Alliance)
Foundation for Government Accountability
FreedomWorks Foundation

Illinois Policy Institute
Leadership Program of the Rockies
Liberty Foundation of America
Manhattan Institute for Policy Research
Mercatus Center

National Review Institute
Sagamore Institute
State Policy Network
Texas Public Policy Foundation
Think Freely Media

MAP 2: States with infrastructures including groups that made declined RFP submissions and whose submission was declined, but staff initially thought merited further review

□ = Includes group(s) that made RFP submission

□ = Includes group(s) whose submission was declined, but staff initially thought merited further review



TABLE 2: Quantitative evaluation of state infrastructures, by selected characteristics (ranked 1-5, with 5 as highest)

■ = Includes *Barder Fund* state-infrastructure grantee

= Includes group(s) that made *declined RFP* submission

■ = Includes state-infrastructure grantee in *regular program*

= Includes group(s) whose *submission was declined, but staff initially thought merited further review*

	Respected, dynamic leadership	Think tank(s)	Investigative journalism	Opposition research	Legal component	Receptive policy- makers	Symbiotic w/ grassroots groups	Local funding support	TOTAL "SCORE" (MAX. 40)
Alabama	3	4	2	2	1	5	4	3	24
Alaska	1	1	1	1	1	4	3	3	15
Arizona	5	5	4	4	5	5	5	5	38
Arkansas	2	3	2	2	2	5	4	2	22
California	4	4	3	3	5	1	3	4	27
Colorado	5	5	5	5	4	2	5	5	36
Connecticut	2	2	1	1	1	1	2	3	13
Delaware	2	2	1	1	1	1	2	2	12
Florida	4	4	4	3	5	4	4	3	31
Georgia	5	4	3	2	2	5	5	3	29
Hawaii	1	2	1	1	1	1	1	1	9
Idaho	2	3	2	2	2	4	3	3	21
Illinois	5	5	4	4	4	3	5	4	34
Indiana	4	3	3	2	2	5	4	3	26
Iowa	3	2	1	1	1	3	3	2	16
Kansas	3	3	2	2	1	5	5	4	25
Kentucky	2	3	2	2	1	3	3	3	19
Louisiana	4	3	2	2	1	2	3	3	20
Maine	2	3	2	2	1	3	3	2	18
Maryland	4	3	3	2	1	2	3	2	20
Massachusetts	4	5	3	3	1	1	2	3	22
Michigan	5	5	5	5	5	4	5	5	39
Minnesota	5	5	3	2	4	1	3	3	26
Mississippi	2	2	1	1	1	5	3	3	18
Missouri	3	3	2	1	1	3	5	2	20

[TABLE 2: Quantitative evaluation of state infrastructures, by selected characteristics (ranked 1-5, with 5 as highest) – cont'd]

■ = Includes Barder Fund state-infrastructure grantee

= Includes group(s) that made declined RFP submission

■ = Includes state-infrastructure grantee in regular program

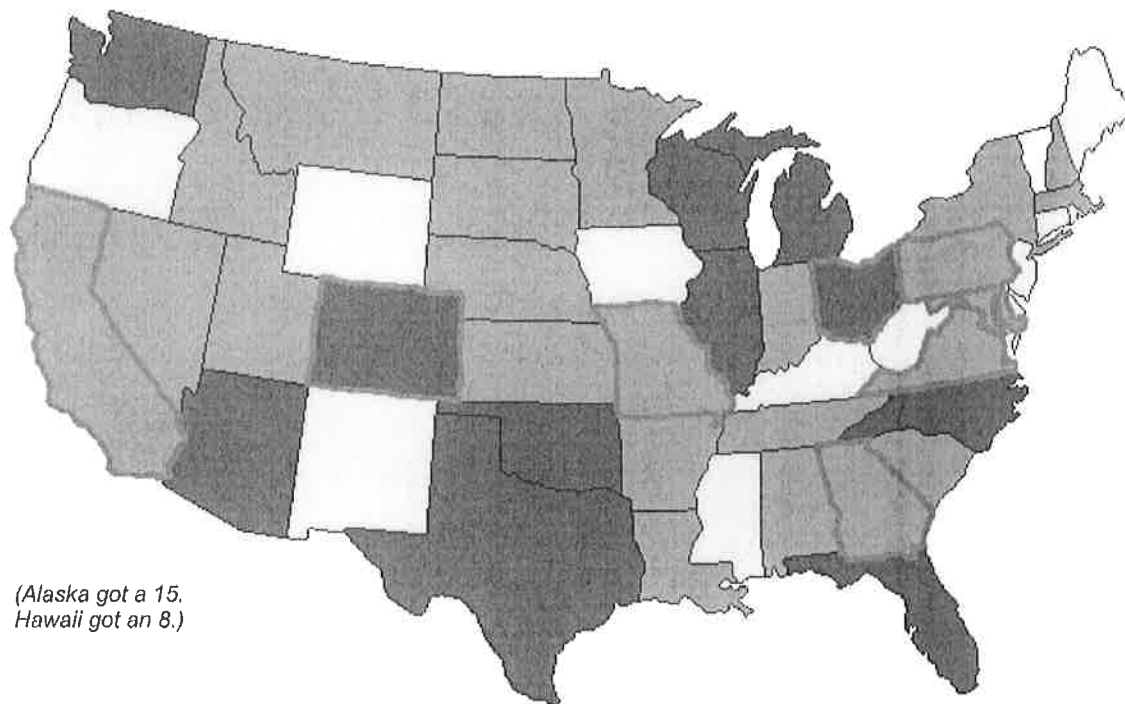
= Includes group(s) whose submission was declined, but staff initially thought merited further review

	(Respected, dynamic leadership)	(Think tank(s))	(Investigative journalism)	(Opposition research)	(Legal component)	(Receptive policy- makers)	(Symbiotic w/ grassroots groups)	(Local funding support)	(TOTAL "SCORE" (MAX. 40))
Montana	2	3	4	3	1	3	3	3	22
Nebraska	2	3	2	2	1	4	3	3	20
Nevada	3	3	2	2	3	5	3	3	24
New Hampshire	3	3	4	3	1	4	3	4	25
New Jersey	2	2	1	1	1	2	5	3	17
New Mexico	2	2	1	1	1	3	2	2	14
New York	5	5	3	2	1	2	2	3	23
North Carolina	5	5	5	5	3	5	5	5	38
North Dakota	1	2	2	1	1	5	5	3	20
Ohio	4	4	4	4	3	4	3	4	30
Oklahoma	4	4	4	4	3	5	5	4	33
Oregon	2	2	2	1	1	1	4	3	16
Pennsylvania	3	3	4	3	3	3	4	4	27
Rhode Island	3	3	2	1	1	1	1	1	13
South Carolina	2	3	4	3	1	4	5	3	25
South Dakota	1	3	1	1	1	5	5	3	20
Tennessee	2	3	2	2	1	5	3	2	20
Texas	5	5	4	3	5	5	5	5	37
Utah	3	4	2	1	1	5	4	4	24
Vermont	1	1	1	1	1	1	1	1	8
Virginia	4	4	3	2	3	3	5	3	27
Washington	5	4	4	4	5	2	5	3	32
West Virginia	3	2	1	1	1	3	2	1	14
Wisconsin	5	5	5	4	5	5	5	5	39
Wyoming	3	2	1	1	1	5	3	2	18

MAP 3: The quality of state infrastructures

■ = Tier 1: "score" between 30-40 ▨ = Tier 2: 20-29 □ = Tier 3: 10-19 □ = Tier 4: below 10

▣ = Top four Tier 2 states and three other states of promise



LIST 2: Previous submissions from groups in states that are potential targets of opportunity

	Group(s)	Overall project description
<i>Top four Tier 2 states</i>		
California	Pacific Research Institute	To expand its California Prosperity Agenda -- a 12-point, multi-year project "to address California's most-pressing public problems"
Georgia	Georgia Public Policy Foundation	To expand its Liberty Vibe project -- "an 'ad agency for liberty' that can modernize the liberty brand to better engage and persuade non-traditional, diverse audiences" in Georgia
Pennsylvania	Commonwealth Foundation for Public Policy Alternatives	To expand its Permanent Freedom Infrastructure, though through several listed specific projects
Virginia	Thomas Jefferson Institute	Essentially, to expand its general operations, though through several listed specific projects
<i>Other states of promise</i>		
Colorado⁴	Independence Institute, with Steamboat Institute	To "defund teachers unions and achieve real education reform"
Maryland	Maryland Public Policy Institute	To expand its debate-centered Maryland Policy Forum project
Missouri	Show-Me Institute	To create a Missouri Union Reform Project
Ohio	1851 Center for Constitutional Law	To create a Friends of Ohio Taxpayers projects that would work with others on public education about taxes and fiscal policy in the state
	Buckeye Institute for Public Policy Solutions, with Pacific Legal Foundation	To "reduc[e] and ultimately remov[e] impediments to economic liberty in the states, beginning in Ohio, through research, marketing, and litigation"
	Opportunity Ohio	Essentially, to expand its general operations, though through several listed specific projects

⁴ Colorado's Leadership Program of the Rockies in made a submission to open an additional chapter in another state. American Majority made a submission to open a new state chapter *in* Colorado and one other state, and the Franklin Center for Government & Public Integrity made a submission to create a "model" bureau for online journalism in Colorado and six other states.

**APPENDIX: *The Barder Fund*, August 19, 2014,
Subtab B (Capacity-building in the states), pp. B-1 to B-9**

SUBTAB B: Capacity-building in the states

A longtime emphasis on the importance of infrastructure

In effectuating its mission, by necessity, Bradley's grantmaking program has always emphasized the importance of what's now being called "infrastructure." Historically, Bradley used to be known and was lauded for providing ongoing, general-operating support to the national think tanks that laid the foundation for and then helped sustain the conservative ascendance beginning in the 1980s.

Similarly, in Wisconsin, where there were receptive policymakers, Bradley's creation of the Wisconsin Policy Research Institute in 1987 helped pave the way for the innovative Milwaukee Parental Choice Program in 1990 and 1995's innovative "W-2 -- Wisconsin Works" welfare replacement, which itself paved the way for national welfare reform the next year. Milwaukee and Wisconsin, the Foundation found, were "well-sized playing fields" on which to score policy victories.

In both the school-choice and welfare-reform contexts, as a committed local funder, Bradley has supplemented its funding of basic research with the creation of new and/or helped existing grassroots organizations that argued for and defended the reforms in public discourse, with compelling, story-telling narratives. "Prose and poetry," to quote a "canon of grantmaking construction." When necessary -- almost always -- the Foundation supported public-interest legal groups that argued for and defended the programs in court, as well.

Again historically, to help further reform in states other than Wisconsin, Bradley has generally tried to maximize the overall benefit of its necessarily limited investments to support national providers of capacity-building resources to the infrastructures in the states. These resources have often been to help advance specific issues selected by the Board.

Finally, nationally and locally, the Foundation looks for respected and dynamic leadership of those think tanks, grassroots groups, legal entities, and capacity-builders that it has funded and funds. Another canon: "Chefs, not restaurants."

Given the demise of the media as it was constituted at Bradley's beginning, a relatively new characteristic of successful conservative infrastructures, including at the state level, is investigative journalism that doesn't rely on old or new organs of the left and is able to stand on its own. The Foundation has taken note, and tries to help here, too.

In Wisconsin, where there were receptive policy-makers, Bradley's creation of the Wisconsin Policy Research Institute in 1987 helped pave the way for the innovative Milwaukee Parental Choice Program in 1990 and 1995's innovative "W-2 -- Wisconsin Works" welfare replacement, which itself paved the way for national welfare reform the next year.

Selected characteristics of successful state infrastructures

- Respected and dynamic leadership
- Quality think tank(s)
- Investigative journalism
- Opposition research
- Legal component
- Receptive policymakers
- Symbiotic relationship with grassroots groups
- Committed local funding support

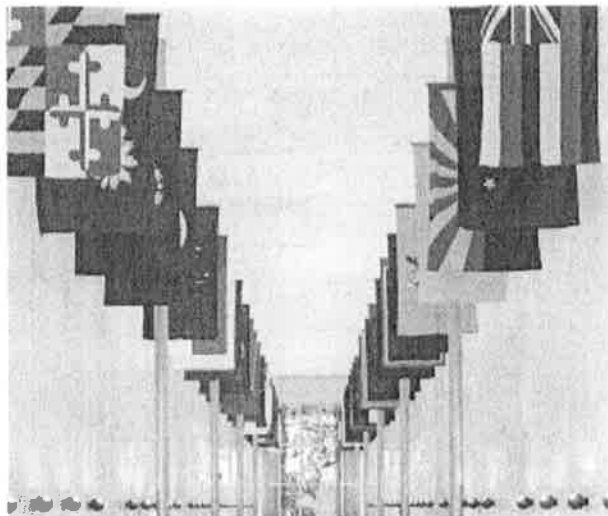
Stasis in D.C., state-level receptivity

Conservatism's ascendance was not permanent, nor universal. Since the '90s, the United States has

**[APPENDIX: *The Barger Fund*, August 19, 2014,
Subtab B (Capacity-building in the states), pp. B-1 to B-9 – cont'd]**



"Overview: State tax policy," Report of the Implementation & Impact Committee, Meeting of the Board of Directors, February 26, 2013



Hall of the States, John F. Kennedy Center for the Performing Arts, Washington, D.C.

seen two Democrat presidents elected to a second term. Many say Washington is "broken." Whatever this might mean, it does not mean conservative policy advancement. There is stasis in D.C.

However, as pointed out in an overview of the context for state tax-policy changes for the Implementation & Impact Committee early last year, there has been a recent increase in state-level receptivity to meaningful conservative policy reform. Following the 2012 elections, Republicans had what George F. Will has written about as "unified control" of the governorships and legislatures in 25 states, with 53% of the nation's population -- up from nine states after the 2008 elections and 20 after the 2010 elections. After the '12 elections, Democrats had unified control of 13 states, with 30% of the population.

There has been meaningful conservative policy advancement in many of these states during the past year and a half -- especially in Indiana, Kansas, Michigan, North Carolina, Texas, and Wisconsin. In at least three of these states, and maybe four, there are what could be considered the characteristics of successful state infrastructures.

Of the states with Republican "unified control," importantly, 16 of them have state supreme courts that the Bradley-supported Federalist Society for Law & Public Policy Studies considers "restrained," as opposed to "activist." (Late last month, as the most-recent examples of this importance, the Wisconsin Supreme Court upheld both state collective-bargaining and election-integrity reforms.)

There has been meaningful conservative policy advancement in many of these states during the past year and a half -- especially in Indiana, Kansas, Michigan, North Carolina, Texas, and Wisconsin. In at least three of these states, and maybe four, there are what could be considered the characteristics of successful state infrastructures.

Recent state-infrastructure grantmaking

Bradley has maintained its support of Wisconsin's infrastructure and recently tried to help increase the



UNDUE INFLUENCE

PUBLIC UNIONS' CYCLE OF POWER

ELECTIONEERING



PRESENTED BY FREEDOM FOUNDATION



Policy Recommendations

Completely solving the problems associated with union electioneering requires moving from the monopoly system of exclusive representation of employees in a workplace by a single union to a system of competitive representation. In such a system, workers would have the freedom to join or abstain from joining any labor organization they wish, without having to worry about penalties or forced fees. Likewise, unions would only have to represent those employees who voluntarily choose to be part of the union and pay dues, and could compete with each other for members. This would create an incentive to serve the interests of members instead of furthering the political goals of union leaders.

These five reforms would help address union political spending while better protecting the rights of union members.

1

Allow agency fee-payers to opt-out of paying nonchargeable political expenses indefinitely, instead of having to renew their objection yearly.

2

Prohibit unions from charging agency fee payers more than the chargeable expenses related to workplace representation.

3

Require union leadership to report internal "political education" of union members to the Public Disclosure Commission as independent expenditures.

4

Prohibit labor organizations from using any portion of membership dues for political or non-representational purposes without the express consent of individual union members.

5

Require unions collecting mandatory fees to report all political-related expenditures to all members paying for them.

CHARTS & GRAPHS



The 2012 Governor's Race:

Rob McKenna vs. Jay Inslee



46%

\$.02M

**UNION
Votes
VS.**

**UNION
Funds**



54%

\$5.8M

INSLEE'S TOP DOZEN Union Contributors

Union	Amount	Union	Amount
SEIU	\$1,807,217	AFT	\$98,713
NEA/WEA	\$1,670,993	United Assn.	\$88,252
AFSCME	\$1,121,593	LIUNA	\$72,011
AFL-CIO	\$291,640	IAM	\$44,544
UFCW	\$113,397	IAFF	\$44,071
IBEW	\$110,031	Teamsters	\$28,002

UNIONS PROVIDED **OVER 1/4** OF INSLEE'S SUPPORT

A

BIGGEST UNION EXPENSE?

Negative Ads

\$4.5M in anti-McKenna expenditures

78%

11%

6%

5%

11%

Cash Contributions
\$627K

6%

In-Kind Contributions
\$366K

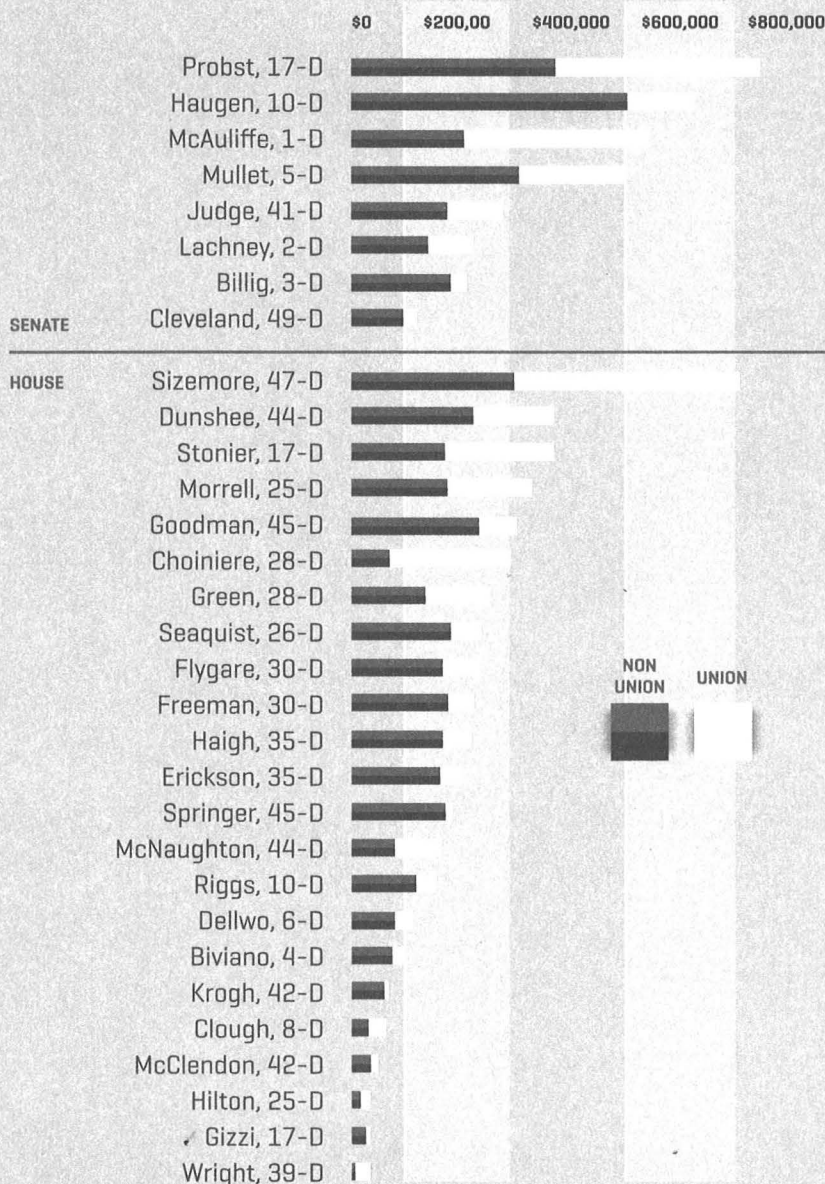
5%

Pro-Inslee Expenditures
\$311K

B

DEMOCRAT'S

Dependence on Union Funds



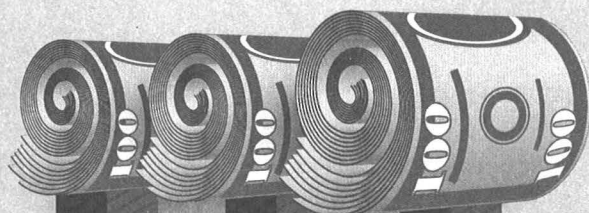
C

Key 2011 SeaTac City Council Races

Gregerson

Bush

Ladenburg



\$16,100

\$19,115

\$17,524

\$22,851

\$13,902

\$35,334

NON UNION

UNION

\$589,600
Reported to PDC

\$1,010,937
Reported to DOL

SEIU 1199NW
Political Expenditures
2011-12

D

While union leaders attempt to justify their political expenditures by claiming that their political action committees (PACs) are funded by voluntary contributions, this is only partially true. For example, the Washington Education Association's (WEA) reports to the PDC indicate that nearly 73 percent of the resources contributed to the WEA's PAC from 2011-2012 came from general WEA funds, not specific teacher contributions to the PAC. Consequently, as long as a worker is required to pay anything to the union at all, he or she may be forced to support union politicking.

B

In addition to the governor's race, union leaders are exceptionally active in state legislative elections. We analyzed eight competitive State Senate races and 23 State House races from 2012, finding that Senate Democrats relied on unions for nearly 35% of their support, on average. By contrast, Senate Republicans generally received less than one percent of their support from unions. In the House, Democrats received 34% of their funding from unions, on average, while Republicans generally received just over two percent of their support from unions.

C

Even local races are not immune from seeing large infusions of union cash when a labor-backed issue is at stake, as the City of SeaTac learned in its 2011 city council elections.

D

Although PDC data demonstrates that unions are potent political players, it represents only a portion of unions' political spending. Many unions are required to file financial reports with the Department of Labor (DOL) which include the total amount of money spent on all political activity, not just election contributions. In the case of SEIU Local 1199NW, the political spending reported to the DOL for 2011-2012 was 71 percent higher than the total reported to the PDC over the same period.

Even the DOL numbers are incomplete. For instance, WFSE counted a \$20,000 contribution to the State Labor Council's political education fund as a "gift or grant" instead of a political expense. Similarly, SEIU Local 775 failed to list a \$10,000 contribution to the campaign against Washington's charter school initiative as a political expense. Union political spending is both under-reported and very expensive.



Unions have always been politically active.

With private sector union membership at historic lows, unions have increased their focus on unionizing public-sector workers. Over half of all government employees in Washington—274,000—are represented by a union. With all these workers paying membership dues, public unions generate hundreds of millions of dollars in annual revenue.

Greater numbers of unionized public workers have only increased union leaders' desire to control decisions at all levels of government. One of the primary ways this is accomplished is by devoting vast resources to influencing election outcomes.

Nationally, the Service Employees International Union (SEIU) Steward Manual claims they are "the most effective advocacy and political organization in North America" whose goal is to elect candidates devoted to advancing SEIU interests. Locally, the Washington Federation of State Employees' (WFSE) handbook boasts that their organization "works the legislative process" for its own benefit. Unfortunately, this influence primarily functions to decrease union accountability and transparency while entrenching union power and increasing the size of government budgets.

While organizations have the right to engage in political activity, unions are a special case. State law allows workers to be forced to pay union fees as a condition of employment and, unfortunately, union leaders do not share the political preferences of their members. Exit polling data from CNN indicates that 46% of voters from union households voted for Republican gubernatorial candidate Rob McKenna in 2012. However, data from the state Public Disclosure Commission (PDC) indicates that nearly all union funds were used to defeat McKenna and elect Inslee.

In other words, union leaders use their monopoly power to overcharge their membership for workplace representation, spending the excess on advancing a political agenda that many of their members disagree with.

A

Efforts to dismantle the cycle and develop sound labor policy should rely on four key principles:

Freedom of Speech



No one should be forced to pay to support causes, candidates or organizations against their will.

Responsive Representation



Union members should be able to expect financial transparency and accountability from their labor representatives.

Economic Freedom



Workers should be able to freely choose or abstain from membership in a labor union without penalty, and labor organizations should not have to represent nonmembers. The government should cease protecting workplace representation monopolies.

Efficient Government



Union interests should not come at the cost of sustainable budgets. Taxpayers should receive the most services for their dollar, and public servants should be accountable for the services they provide.

The Cycle of UNION POWER

A cycle of union power has developed since government workers were granted collective bargaining rights. First, government unions benefit from “exclusive representation”—monopoly control over workplace representation. Second, “union security” protections allow labor organizations to require all employees in a workplace to pay union fees.

Combined, these provisions grant union leaders a guaranteed stream of income and allow them to overcharge workers for workplace representation. Union leaders then use the excess funds to influence elections, regardless of how union members feel about the causes and candidates they choose to support. Furthermore, union leaders face limited obligations to disclose financial information, even to their own members.

In addition to elections, public unions are consistently top spenders on lobbying. Between lobbying and electioneering, union leaders work to enact policies enhancing union power and opposing reforms aimed at efficient government or employee freedom. One reason union leaders spent so much money to influence the governor’s race was to ensure appointees who are favorable to union officials.

Labor leaders support bigger government because it produces more members and better benefits for them. With new union members paying mandatory dues, unions can spend more to influence the political process for their benefit, and so the process continues. While profitable for unions, taxpayers and individual workers are the victims of this vicious cycle.