

ISSUE UPDATE

THE NJEA v. LOCAL UNIONS: THE LOCAL UNIONS MAKE AND THE NJEA TAKES

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EXECUTIVE SUMMARY

"The fight for democracy starts here ..."

-- Website of Protecting Our Democracy, Sean Spiller's Super PAC

New Jersey Education Association (NJEA) President Sean Spiller is all for fighting for democracy when it comes to advancing his personal political career. His NJEA likewise claims that it is the very model of a "representative democracy" for its members. But when it comes to allowing teachers to vote for their union representative in collective bargaining, Spiller and the NJEA aren't quite so ready to fight for democracy.

The startling fact is that New Jersey teachers' have only voted *once* to elect the union to represent them in collective bargaining, and that was *over 50 years ago.*¹ All of the teachers who voted then no longer teach. For current teachers, the NJEA's role as their representative is inherited rather than elected because the NJEA has never had to stand for another election -- for over 50 years. So in this most basic of union functions -- representation in collective bargaining -- current teachers have had no say whatsoever, which is not democratic at all.

From our many interactions with teachers, we know that they generally like their local unions (known as associations). Local union officers are elected by the local teachers and have roots in the community. Local officers spend most of their time working on behalf of teachers on the local issues that teachers care about such as negotiating salaries, health benefits, working conditions and helping run well-functioning, successful schools.

But in the NJEA system, local unions get the short end of the stick. All of teachers' "unitary" dues -- for the local, state, and national unions -- are sent directly to the state-level NJEA. The local acts as a mere pass-through. The NJEA then redistributes a meager 12% of the dues back to the locals. 85% of the dues go to the NJEA and the National Education Association (NEA -- NJEA"s national parent) where it is used for political spending on issues that may or may not pertain to local members as well as on excessive executive compensation. The NJEA controls the money, so they control just about everything.

It doesn't have to be this way. New Jersey's other teachers union, the American Federation of Teachers (AFT), allows their locals to keep most of the dues money. In

¹ The New Jersey Employer-Employee Relations Act was extended to public employees in 1968.

2021, AFT-NJ, the state-level union, had \$1.1 million in dues revenue; the NJEA had \$136.8 million. As might be expected, AFT-NJ cannot afford to have its own Super PAC or pay excessive executive compensation. The NJEA can and does, consuming \$125 million of dues from 2012-21.

We ask: If teachers had a choice, would they prefer to control their own dues money? Would they want to have their local union determine how and where they spend their dues? We know teachers don't like paying for partisan politics; what if they could choose not to? We know that they are unhappy about excessive compensation for NJEA execs; what if they could turn off the spigot? Most importantly, would teachers want an enormous reduction in their highest-in-the-nation, \$,1500 annual dues? A 50-85% reduction?

What teachers don't know is that New Jersey law allows for replacing an existing union like the NJEA (along with the NEA) and electing a new, local union to represent them in collective bargaining. Teachers do not have to be stuck with a union that was elected over fifty years ago and has never had to stand for another election. They do not have to watch helplessly as their hard-earned dollars get automatically siphoned off to the NJEA and used for things they don't approve of. They can control their own money. All they need to do is decertify the NJEA and vote in a new, replacement union.

That would be democratic.

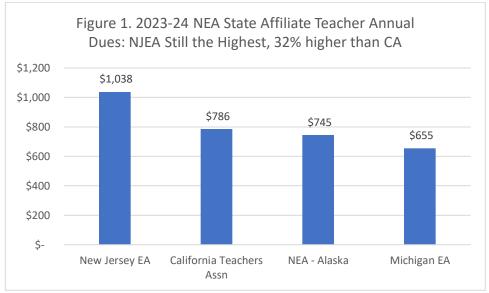
THE NJEA v. LOCAL UNIONS: THE LOCAL UNIONS MAKE AND THE NJEA TAKES

No democracy: the NJEA controls all their dues but today's teachers have never had the chance to vote on their local's relationship with the NJEA.

I. NJEA DUES ARE THE HIGHEST IN THE NATION BY FAR

New Jersey teachers pay the highest overall dues in the nation because they pay the highest state-level union dues to the NJEA, which account for 70% of overall dues. For 2023-24, a full-time New Jersey paid about \$1,500 in total dues,² of which \$1,038 was paid to the state-level NJEA.

As shown in Figure 1,the \$1,038 a year paid to the NJEA are the highest state-level dues in the nation -- by far -- and 32% higher than the next highest, the California Teachers Association.



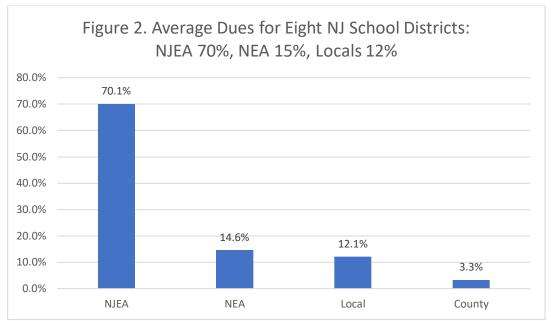
Sources: NJEA, California Teachers Assn., NEA-Alaska (2022-23), Michigan Education

Assn.

As shown in Figure 2, our study of eight local associations (unions) over the past decade revealed that while the NJEA takes a full 70 percent of its members' dues, the local association, with the most direct connection to members and where most of the representational work is done, gets a mere 12 percent. 70% was a higher proportion than any other state-level teachers union, according to a previous Sunlight study. Even the NEA -- the most-removed union that lobbies in Washington, DC and funds national campaigns or campaigns in other states – gets more than the local association at 15

² East Brunswick Education Association total dues for 2023-24 were \$1,510.

percent. Put another way, 85% of dues that go away from the local association and up to NJEA and NEA.



Source: See Appendix A for 2015-2024 data from eight NJ school districts.

II. THE NJEA CONTROLS ALL THE MONEY

Importantly, these dues are completely controlled by the NJEA. NJEA members pay "unitary" dues, by which all the various dues -- NEA, NJEA, county and local association -- are paid in one lump-sum payment. A NJEA "Membership Chairperson Handbook" describes the process for automatic payroll deduction (APD) of unitary dues from a teacher's paycheck. The handbook makes clear that:

Association [NJEA] dues collected through APD are *sent to affiliates* [local associations] *from NJEA*. Payments to affiliates are made on the third day of each month through EFT (electronic funds transfer). To receive payment, the local must properly complete an EFT application ... EFT payments to affiliates are for the preceding month ... Affiliates should expect the June dues to be wired in July. [Emphasis added].

In a <u>presentation</u> on Paterson Education Association (PEA) dues, PEA leadership confirms this arrangement:

"All dues monies are collected first by the NJEA from the PPS District. NJEA then sends the P.E.A. our portion starting on October 1st."

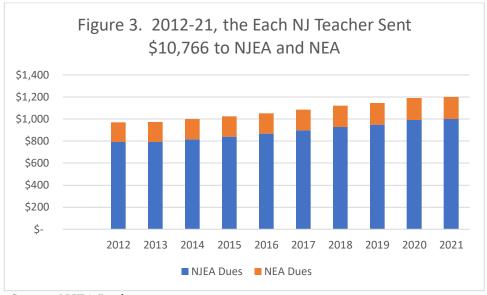
As a result of this arrangement, the local associations act as mere pass-throughs for teachers' dues to go directly to the NJEA. This allows the NJEA to control the finances - and therefore the activities -- of the locals as well as use member dues as they see fit

without interference from locals. This goes a long way to explaining how the NJEA keeps 70% of the dues payments for itself and sends 15% to the NEA while only 12% reverts back to the local. The locals and the teachers in them have no say in this arrangement.

III. WHAT DID THE NJEA DO WITH \$1.26 BILLION IN DUES?

To get a sense of what the NJEA does with teachers' dues, we will look at the decade from 2012-21 (2021 being the latest available NJEA IRS 990 filing).

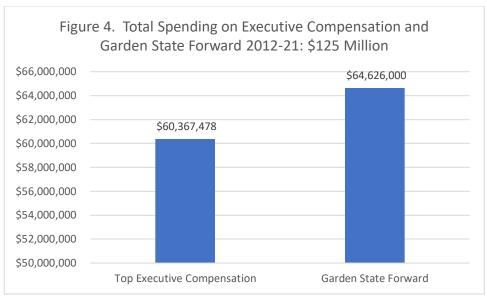
Figure 3 shows that with 85% of teachers' overall dues going to the NJEA and NEA every year, each full-time teacher sent \$10,766 up to the state and national level, of which \$8,870 went to the NJEA.



Source: NJEA Review, 2012-21.

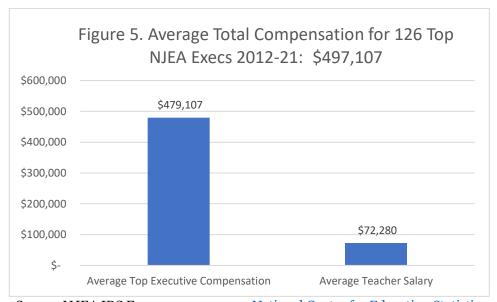
For the decade, this collectively amounted to \$1.26 billion in dues paid to the NJEA, which allowed the NJEA to spend \$125 million on politics and executive compensation. As shown in Figure 4, from 2012-21, the NJEA spent \$64.6 million on the NJEA's Super PAC, Garden State Forward, the NJEA's primary vehicle for political spending, which is funded by teachers' regular dues. Very few teachers even know Garden State Forward exists, let alone that they fund it.

Teachers' dues also provided \$60.4 million for excessive -- and even outrageous -- compensation for top NJEA execs, the <u>highest paid union execs</u> in the nation. By far.



Source: NJEA IRS Forms 990, 2012-21.

The particulars of this executive compensation are astounding: a total of 126 top NJEA execs averaged \$479,107 per year for the decade 2012-21, as shown in Figure 5. All of this was paid for by New Jersey teachers, who averaged \$72,280 over the same period.



Source: NJEA IRS Forms 990, 2012-21; National Center for Education Statistics, 2012-21.

Yet NJEA leadership <u>deliberately keeps teachers in the dark</u> about these \$125 million uses of their dues. This money automatically disappears from every paycheck and travels up to the NJEA, where NJEA leadership spends it lavishly and silently. The teachers never even see the money and don't know where it goes.

IV. IT DOESN'T HAVE TO BE THIS WAY: THE AFT-NJ EXAMPLE

The other major teachers union in New Jersey, the American Federation of Teachers (AFT), shows that it does not have to be this way. Most of the AFT dues money stays at the local level, allowing local leadership and membership to decide how they want to spend their money. As the Perth Amboy AFT local (PAF) explained:

60% of dues paid to PAF/AFT stay in our local. 5% of NJEA dues stay in the local.

Sunlight's study showed that about 12% of NJEA total dues are sent back to the locals, but as seen in Appendix A, three of the eight locals we studied had single-digit distributions from the NJEA, just like PAF's claim about Perth Amboy.

This reality is reflected in how little dues revenue flows to the state-level AFT union, AFT-NJ. AFT-NJ"s 2021 IRS Form 990 (the latest available) reports \$1.1 million in dues revenue. In 2021, the NJEA's dues revenue was \$136.8 million. \$1.1 million a year clearly doesn't allow for a \$65 million Super PAC like Garden State Forward or \$60 million in executive compensation. AFT-NJ does not have its own Super PAC and President Donna Chiera made \$71,000 in 2021. Total compensation for all AFT-NJ executives was \$105,000. From 2012-21, the top NJEA execs averaged \$497,000 per year.

V. A LOCAL UNION-ONLY ALTERNATIVE: NO POLITICS, NO EXCESSIVE PAY, MUCH LOWER DUES

In addition to the AFT-NJ model, there's a new, all-local-union model challenging the status quo in Dade County, Florida, the state's largest county and home to Miami. There, a group of teachers unhappy with their current union, the United Teachers of Dade (UTD, a joint AFT/NEA affiliate), is trying to certify a new union to represent Dade County teachers that would focus on the local issues that teachers care about.

The Miami-Dade Education Coalition (MDEC) has a platform that includes:

- Negotiating a new contract that first and foremost benefits Miami-Dade teachers, not the state or national unions.
- MDEC will control the dues money. No dues paid to the national union, limited dues to the state union, if at all.
- No spending on partisan political activity.
- No excessive pay packages for union leadership.
- 50% or more reduction in dues (50% of dues currently go to the Florida Education Association and the NEA).

If local unions in New Jersey controlled their own dues money, they would no longer be forced to send \$1,275 a year to the NJEA and NEA. They could decide whether and how much to send to the NJEA and NEA. Dues could be reduced substantially.

We wonder whether New Jersey teachers would be open to such a possibility.

VI. THE PATH TO CREATING A NEW UNION: DECERTIFYING AND REPLACING THE NJEA

The NJEA likes to claim that it is a "democracy," with members able to vote for delegates in the Delegate Assembly. But when it comes to certification of the NJEA as the union representing the teachers in a collective bargaining unit, the teachers only got to vote once that was *over 50 years ago.*³ It is almost certain that *all* the teachers who voted at that time are no longer teaching. For current teachers, their union representation is inherited rather than elected because the NJEA has never had to stand for another election. So in this most basic of union functions -- representation in collective bargaining -- these teachers have had no say whatsoever, which is not democratic at all.

New Jersey law allows for decertification of an existing representative and replacement by a new representative.

The Public Employment Relations Commission (PERC) controls teachers union representation matters. According to Chapter 11 of PERC's regulations, there are five requirements to decertify the NJEA as the current representative and certify a new, replacement union.

- 1. **Timeliness**. To be considered timely, a petition for decertification/certification it must be filed between September 1 and October 15 in the last year of the current CBA.
- **2. Decertification**. Decertification requires a petition to PERC by employees in the bargaining unit showing that at least 30% of the employees "no longer desire to be represented" by the NJEA.
- **3. Certification**. In order to certify a new, replacement representative, the petition must also show support from at least 30% of the employees in the bargaining unit.
- **4. PERC Determination**. PERC will then investigate the petitions to determine the facts and either dismiss the petitions or direct that an election take place.
- **5. Election**. The new, replacement union must gain the votes of a majority of the bargaining unit in an election supervised by PERC.

VII. A CASE STUDY: LOWER TOWNSHIP SCHOOL DISTRICT

NOTE: We are not suggesting that the Lower Township Education Association (LTEA) members would want to certify a new representative, or that if they did, it would be feasible. We simply take note of the substantial number of LTEA teachers who have

³ The New Jersey Employer-Employee Relations Act was extended to public employees in 1968.

already chosen to leave the NJEA and the fact that obtaining the required support for a new representative appears attainable.

In the case of Lower Township (Cape May County), it appears that the current collective bargaining agreement would run from July 1, 2022 to June 30, 2025, which means that a decertification/certification petition could be filed from September 1 to October 15, 2024.

As shown in Table 1, as of the fall of 2023, Lower Township bargaining unit had 367 members. Of those, 246, or 67%, were NJEA members, which means that 121 employees, or 33% of the unit, are not NJEA members. So LTEA is already nearing the 50% (majority) threshold, and if the opted-out teachers chose to, they could support valid petitions for decertification of the NJEA and certification of a new representative.

Should Lower Township teachers decide that they would prefer a new representative:

- 111 employees -- 30% of the bargaining unit -- would have to sign the decertification/certification petitions. This is less than the 121 employees who have already opted out.
- In order to win a certification election, a new representative would only need 73 more employees added to the 30% who signed the petition to gain a majority of 184 votes, or only 63 more than the number who have already opted out.

Table 1. Lower Township School District Case Study

District	Bargaining Unit	NJEA members	as % of bargaining unit	30% of BU	Already Opted- out	Needed for Majority
Lower						
Twp	367	246	67.0%	111	121	73

Source: OPRA requests for Lower Township Board of Education.

Appendix B shows other New Jersey school districts -- including Hamilton, East Orange, Sparta, Hopatcong, and Hanover Twp. -- where there has been substantial erosion in NJEA membership.

There is a path for Lower Township and other districts to control their own destinies.

CONCLUSION: LOCAL UNIONS MAKE AND THE NJEA TAKES

For too long, New Jersey teachers have not had a choice when it comes to who represents them in collective bargaining. For too long, they have watched 85% of their dues leave the local and travel up to the state-level and national-level unions, where they are spent in ways teachers do not control. For too long, their local union has received only a meager portion of those dues.

The NJEA controls the money and likes the system just the way it is: the local unions make and the NJEA takes (to borrow from a sign on a certain bridge in Trenton).

It doesn't have to be this way. There is a process for changing the existing arrangements. There's a path to decertify the NJEA and certify a new, replacement union. A path to where teachers control who represents them and how their dues are spent.

All that's needed are some brave, resourceful teachers who have had enough of the NJEA status quo.

APPENDIX A

DUES ALLOCATION FOR SELECTED NEW JERSEY SCHOOL DISTRICTS 2015-24

DOES ALLOCATION FOR SELECTED NEW SERSET SCHOOL DISTRICTS 2015-24									
School District (Dollars)	Local	<u>Pct</u>	County	<u>Pct</u>	NJEA	<u>Pct</u>	<u>NEA</u>	<u>Pct</u>	<u>Total</u>
Clearview Regional (2015-16)	53	4.7%	67.5	6.0%	814	72.5%	189	16.8%	1,124
ciculview regional (2013 10)	55	4.//0	0/.5	0.070	014	/2.5/0	109	10.070	1,124
Darray (0.010, 0.0)	40.	0.00/	(0.0	4.60/	0.00	= 0 = 0/	10(4 = 00/	
Dover (2019-20)	105	8.0%	60.0	4.6%	950	72.5%	196	15.0%	1,311
		0.4		201			_	0.4	
East Brunswick (2019-20)	224	15.9%	40.0	2.8%	950	67.4%	196	13.9%	1,410
East Brunswick (2021-22)	224	15.3%	40.0	2.7%	999	68.2%	202	13.8%	1,465
East Brunswick (2023-24)	224	14.8%	40.0	2.6%	1,038	68.7%	208	13.8%	1.510
Monmouth County Vocational		2-71070	40.0	_,,,,	2,000	001/10		20.070	1,010
•	100	7.2%	40.0	2.9%	1,038	74.9%	208	15.0%	1.086
(2023-24)	100	/.2/0	40.0	2.970	1,030	/4.9/0	200	15.070	1,300
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New Brunswick (2016-17)	176	13.9%	40.0	3.2%	866	68.2%	187	14.7%	1,269
Paterson (2019-20)	155	11.5%	51.5	3.8%	950	70.2%	196	14.5%	1,353
Trenton (2017-18)	205	15.5%	30.0	2.3%	897	67.9%	189	14.3%	1,321
	0	-0.0.	0	0	-) /	-,-,-	/	- 1.0	-,0
Trenton (2021-22)	225	15.5%	30.0	2.1%	999	68.6%	202	13.9%	1,456
11011(2021-22)	2 2 3	13.3/0	30.0	∠.1/0	999	00.070	202	13.970	1,450
Coult Down - introduction		10.604		2.20/		(0/	100	4 4 007	1.00(
South Brunswick (2019-20)	140	10.6%	40.0	3.0%	950	71.6%	196	14.8%	1,326
AVERAGE		12.1%		3.3%		70.1%		14.6%	
								-	

APPENDIX B

Other School Districts with Substantial Membership Erosion

School District	2023 BU	2023 Members	Members as % of BU	30% of BU	Already Out
Hamilton	1,771	1,339	75.6%	532	432
East Orange	1,455	1,078	74.1%	438	377
Sparta	573	432	75.4%	173	141
Hopatcong	259	205	79.2%	79	54
Hanover Twp.	244	206	84.4%	74	38

Source: OPRA requests for East Orange, Hamilton, Sparta, and Hanover Twp. Boards of Education.