House Bill (HB) 2643

Public employer assessments to cover costs of union representation

Problem: When the U.S. Supreme Court ruled last summer that public-sector unions could no longer collect fair-share fees in *Janus v. AFSCME*, it compromised the ability of unions to provide quality representation to all employees covered under a collective bargaining agreement.

Solution: HB 2643 requires public-sector employers be assessed a percentage of their payroll to be paid to a state agency that would, in turn, send this assessment to public-employee unions to preserve their obligation to fairly represent all employees.

Background: State law requires public-sector unions to fairly represent all employees covered under a collective bargaining agreement — including both union and non-union members. *Janus* overturned 40 years of legal precedent that said unions had the right to negotiate agreements giving employees the choice to either join the union or pay a fee covering their “fair share” of the costs of representation, excluding the cost of political or external organizing activities. Fair-share agreements made it possible for the cost of union representation to be distributed equally among all members of the bargaining unit. The *Janus* decision upended this equilibrium and encourages nonmembers to be free riders.

HB 2643 requires public employers to pay an assessment to help cover the cost of representing nonmembers. Employer assessments of this type are common. Public employers currently pay a percentage of payroll for workers’ compensation and unemployment insurance as well as retirement through the Public Employees Retirement System (PERS).

HB 2643 provides that membership in a public-sector union is voluntary and prohibits public employers from requiring employees to pay dues to a labor organization if the employee chooses not to join the union. It establishes a public employer assessment so public-sector unions can fairly represent all employees under a labor agreement. What this bill does not do is affect employees’ wages or other compensation.