

Investor's Business Daily

Unions Seek To Entrench Power In Michigan Initiatives

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Unions took a political beating in June when they tried and failed to recall Wisconsin Gov. Scott Walker. Now they are going into battle on the Nov. 6 ballot in Michigan, where the stakes, if anything, are higher.

This time the Republican governor is not the target, at least not directly. Michigan's Rick Snyder is no ally of Big Labor, and he has signed legislation that tilts the balance of power away from unions. But he has blocked efforts by the Republican legislature to make Michigan a right-to-work state, where workers represented by a union do not have to join it.

But the battle lines are familiar. Unions and the Democratic Party have lined up in favor of three ballot measures that would expand the reach and power of organized labor, especially in the public sector. The unions seek to bring home health workers under their wing, keep emergency managers of local governments from changing union contracts, and make collective bargaining a constitutional right.

National Implications

"It's high-stakes, high-risk, high-reward for both sides now," said F. Vincent Vernuccio, director of labor policy for the free-market oriented [Mackinac Center](#) in Midland, Mich. He calls the collective bargaining measure, Proposal 2 on the ballot, "an absolutely unprecedented power grab by government unions."

Power grab or not, this pro-union push is timed for national significance. It comes just after unions' bruising political setback in the Wisconsin recall and an earlier union victory in Ohio, where voters last November threw out a law that stifled public-sector collective bargaining. It coincides with a presidential vote testing union clout in Ohio and other battleground states.

In California, Big Labor is fighting Prop. 32, which would bar unions from using payroll-deducted dues for political purposes. A mid-August poll showed the initiative leading 55%-34%, but support already was slipping as unions began a

big opposition campaign.

The outcome in Michigan could signal either that unions are going under or are turning the tide in their favor.

The three measures aim at different legal targets but all, at their core, promote the cause of collective bargaining in the public sector.

One is a referendum on a law passed in 2011, Public Act 4, that enables appointed "emergency managers" of financially troubled cities and school districts to override union contracts. The state has named emergency managers to several cities as well as Detroit schools. Earlier this year the city of Detroit entered into a consent decree with the state to avoid the same fate.

Another would lock into the state constitution a system set up under former Democratic Gov. Jennifer Granholm, in which home health workers are designated as public employees even if self-employed. The effect would be to channel part of the tax subsidies for home health care into dues and fees to the Service Employees International Union. The Legislature has tried to stop this "dues skim," which has netted the SEIU nearly \$32 million.

Prop. 2: The Big Battle

Prop. 2 is the most sweeping of the three measures. As United Auto Workers President Bob King told online news service MLive, "It drives everything else we're doing." For private-sector unions like UAW, its key provision is a constitutional ban on future right-to-work laws. The union-shop status quo would be locked in.

In the public sector, the measure's effects would be more dramatic. It would not only enshrine collective bargaining rights for all public employees, but it would bar any "existing or future" law that would "abridge, impair or limit" those rights. (It allows only one exception: a ban on public-employee strikes.)

Opponents say this would force a wholesale revision of reforms enacted outside the collective bargaining process. A new [Mackinac Center](#) study says laws saving Michigan

taxpayers \$1.6 billion a year would be thrown out.

Michigan's Republican attorney general, Bill Schuette, in a July 20 memo to Snyder, said more than 170 laws would "be abrogated in whole or in part." Going forward, Prop. 2 also would prevent the legislature from passing laws (outside of strike bans) that conflict with collective bargaining deals.

Polls Suggest Close Fight

Officially, the Prop. 2 campaign got off to a late start. A dispute over its summary was not settled until a Sept. 5 ruling by the state Supreme Court. Supporters were active long before then, raising more than \$8 million by July 25 (the latest reporting date).

Polls point to a tight contest. The Sept. 8-11 EPIC-MRA poll released Sept. 16 has Prop. 2 slightly ahead, 48% to 43%. A Sept. 12 poll by Foster McCollum White Baydoun

showed just 39.5% to 36.6%, within the margin of error.

Of the other two measures, the proposal to unionize home health workers is getting the most support — at 55% to 27% in the EPIC-MRA poll and 45% to 31% in the Foster poll.

Surveys are mixed on the emergency manager law referendum. EPIC-MRA shows voters against the law with a 46%-42% edge. Foster has the law's supporters ahead, 42%-34%.

Whatever the outcome, it will send a signal to other states where governors and lawmakers are battling public-sector unions over pay, pensions and bargaining rights.

"The country is essentially on a teeter right now," says Vernuccio, "and Michigan is going to push the country one direction or another."