

High-stakes labor battle coming to California

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Posted: 01/29/2012 06:59:27 PM PST

Updated: 01/30/2012 06:24:22 AM PST

SACRAMENTO -- The raging battle over the political and economic clout of labor unions is headed west to California. The state's powerful labor groups have anxiously witnessed union rights and benefits being gutted in Wisconsin, Ohio and Indiana. Now, unions in California are girding for an all-out war over a ballot initiative that would curb their ability to raise political cash.

If the November measure passes, unions would have to get written permission from their members every year to use their dues for political purposes. In California, that's a fight that could eclipse a presidential ballot filled with other intriguing and controversial measures, including Gov. Jerry Brown's proposal to hike taxes temporarily. "This could change the balance of power long after the governor's taxes are expired," said Thad Kousser, a political-science professor at UC San Diego. "Defeating this has got to be the top goal of labor. If they don't, they could become almost extinct in California politics."

Labor interests are expected to shell out more than the \$28 million they spent seven years ago to defeat a similar measure. On the surface, going after the unions' clout in California might appear to be a fool's errand. Labor is the backbone of the state Democratic Party, which controls the governor's office and both houses of the Legislature. And the state's voters have gone blue in all five presidential contests since 1992.

Growing resentment

In 2010 alone, labor spent more than \$30 million to help elect Brown over free-spending Republican Meg Whitman, in addition to tens of millions more to secure Democratic victories up and down the ballot. In 1998 and again in 2005, labor groups thwarted statewide initiatives aimed at cutting off their political lifeblood by prohibiting unions from using dues for politics.

But buoyed by labor's setbacks in the Midwest, a group of Orange County GOP activists is hoping to tap into growing voter resentment toward public employee unions' pensions and other perks. A recent Field Poll showed that a growing number of Californians -- from 32 percent two years ago to 41 percent in December -- believe public workers' pensions are too generous. One big reason: Many workers in the private sector have seen their wages drop and pensions disappear in recent years.

Some labor leaders fear that the anger against public unions could raise voters' ire against all unions. In addition, another planned November ballot measure designed to roll back the pensions of public employees could feed into the hostile environment for labor. America's economic anxiety has emboldened conservatives to curb labor's power, said Joseph McCartin, a professor of labor history at Georgetown University. Labor is under fire around the country from Republicans and wealthy donors such as David and Charles Koch, the billionaire brothers who bankrolled the tea party movement.

"It's been remarkable, the degree of aggression directed at public-sector unions," McCartin said.

"The Great Recession has opened what many antiunion forces feel is an opportunity to use their resources against them." In Ohio and Wisconsin, public-employee labor unions lost benefits and bargaining rights. And Indiana is now poised to become the 23rd "right to work" state, making all union dues voluntary.

Still, labor is beginning to reverse some of the losses. It won repeal of some of Ohio's anti-union laws, and Wisconsin unions are in the midst of a recall campaign against Republican Gov. Scott Walker.

Many of the key players behind the California ballot measure have been involved in previous efforts to roll back labor's political payroll deduction system. They include Mark Bucher, an Orange County attorney who was the driving force behind "paycheck protection" initiatives in 1998, 2005 and 2010. The first two went down to defeat by margins of 6 and 7 percentage points, respectively. The third never made it to the ballot because supporters couldn't get enough signatures.

Nine of the top 12 contributors to this year's initiative gave to the 2005 measure, including Menlo Park venture capitalist Tim Draper and Palo Alto billionaire Charles Munger Jr. November's initiative, dubbed the Stop Special Interest Money Now Act, would ostensibly curb all special-interest money -- corporate and labor alike.

It was an added wrinkle intended to appeal to voters angry about corporate power: The measure, which qualified last month, prohibits both corporations and unions from contributing directly to campaigns. 'Campaign reform "This blows corporations entirely out of the world of direct contributions," said Michael Capaldi, an Orange County attorney who helped draft the initiative with Republican attorney Tom Hiltachk. "And we don't think this will take unions out of the picture at all. If they can make a compelling case to their members to contribute, they'll get their money."

Pure bunk, the measure's critics says. They argue that corporations rarely, if ever, tap their employees for political purposes, while unions rely on payroll deductions to beef up political war chests. The initiative is "really aimed at unions," said Philip Ung, a lobbyist with Common Cause of California. "There's probably zero effect on corporations" in terms of payroll deductions. The measure's opponents also say that corporations wouldn't lose an ounce of influence because they'd just create independent committees and spend all the money they want on behalf of candidates -- just like Super PACs are now doing in the GOP presidential primary in the wake of the U.S. Supreme Court's 2009 decision allowing unlimited independent spending in political campaigns.

Gale Kaufman, who was the lead consultant for the campaign to defeat the 1998 "paycheck protection" initiative and will run the opposition campaign this year, said the measure's proponents are cleverly using the rhetoric of campaign reform, but their real intention is clear: "Their goal is to eliminate the ability of unions to participate in politics, pure and simple."