

Do As I Say, Not As I Do

Collective Bargaining Inside the National Education Association

by Mike Antonucci

Summary: How do state affiliates of the National Education Association handle labor relations with their own employees? Believe it or not, they call out the Pinkertons!

It files unfair labor practice charges and restraining orders. Circumvents the other side's negotiators. Threatens to replace employees who go on strike. Cuts off employee health insurance coverage. Crosses picket lines.

Are these the tactics an unenlightened corporation or reactionary entrepreneur uses against workers? No, they are standard operating procedures whenever state affiliates of the National Education Association (NEA) enter labor negotiations with their own employees.

How do unions deal with people who work for them? This is a topic few analysts -- left, right or center -- have examined. Yet the answer to that question offers some clues into the mystery of what makes unions tick. Watch what happens when union executives act as *management*. What results is eye-opening and -- let's admit it -- very entertaining.

It is not widely known that most employees of teacher unions belong to a union, commonly known as a staff union. They pay dues to the staff union, elect its officers, and designate people to represent them in contract negotiations with the teachers' union for which they work.

In the case of the NEA, staff unions



Many state affiliates of the NEA have a strained relationship with the unions representing their employees.

for the 50 state affiliates represent more than 5,000 employees. They negotiate with the elected officers of the union, and with the affiliates' salaried executive director and other high-level program directors who act as senior management. The two sides set salary, benefits and working conditions for NEA affiliate employees.

As you might imagine, this arrangement creates a great potential for irony. On one side of the bargaining table sit union officers tasked with the protection of union assets against the demands of workers who engage them in collective bargaining. On the other side sit staff union representatives who in their regular day jobs are professional contract negotiators. But this

time they look to gain for themselves what they rarely get for teachers.

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Staff unions have an inherent advantage in negotiating with NEA affiliates because union management is open to charges of hypocrisy if it takes too hard-line a position. After all, how can the NEA demand higher wages for teachers while stiffing its own employees? The upshot: NEA staffers have won some of the most extraordinary salaries, benefits and perks imaginable.

In 2001, the average New Jersey Education Association professional staffer earned more than \$100,000 – with an additional \$32,000 in benefits and 34 paid off-days. In 2001, the compensation package for professional staffers at the California Teachers Association exceeded \$135,000. (Union managers, in turn, often negotiate their own terms of employment based on what union staff get. For instance, an associate executive director of a large NEA state affiliate may receive 120 percent of the maximum professional staff salary.)

The typical contract for NEA affiliate staff is a micro-manager's dream—it sets out rules for almost everything. These range from the options that must be made available on union (company) cars to the

specification of the amount of “incarceration pay” staff will receive when jailed for civil disobedience during a strike.

When a union staff contract expires, NEA officers find themselves behind the eight-ball. Confronting exorbitant staff demands, the NEA reaction increasingly has been to exchange that eight-ball for hardball. The history of NEA internal labor negotiations is impossible to track, but since 1995 the union's state affiliates have had at least six strikes, three near-strikes, one lockout, and several other public job actions. That's a lot for an organization with only 5,000 unionized employees.

When things go bad, they go really bad. The bad blood that exists between union management and staff unions often exceeds the level of acrimony between unions and some school districts. Both sides use, or are alleged to have used, tactics that would provoke endless union wailing were they tried by a school board.

Regressive bargaining

Staff unions have accused teacher union management of using the worst kinds of “labor-busting” tactics during contract negotiations. When dealing with their own employees, union officers often seem to find value in policies they would never countenance when they are on the other side of the bargaining table. For example:

Salary Freezes and Take-Backs

- During a contract dispute in 2002, NEA New Hampshire not only wanted to eliminate several staff-friendly provisions, but the labor attorney it hired to handle its negotiations belonged to a firm that previously represented several school districts in their negotiations against the union.

- In 1998, the Montana Education Association (MEA) proposed a three-year salary freeze, a reduction in health benefits, and an increased workload for staffers. When MEA's delegate assembly met that April, the staff union set up an informational picket line outside the

convention hotel. “We would prefer that the public not notice it,” said MEA President Eric Feaver. An agreement was not reached until March 1999.

- A major legislative goal of the Wisconsin Education Association Council (WEAC), the state's NEA affiliate, is repeal of the state qualified economic offer (QEO) law. Under QEO, a school board can avoid binding arbitration if it offers school employees a minimum 3.8 percent increase in salary and benefits. WEAC routinely complains that this is insufficient.

But in November 1998, Wisconsin's United Staff Union set up informational pickets in front of every school where a member of the WEAC bargaining team was employed because the union was offering its employees a compensation package with less than a 3.8 percent increase.

“One of the ironies is that while teachers have a QEO limit of 3.8 percent total package, their bargaining team has not offered the professional staff the same kind of package increase,” Al Manson, president of the staff union, told the *Milwaukee Journal Sentinel*.

- In 1997, the Ohio Professional Staff Union accused the Ohio Education Association (OEA) of wanting to increase “class size.” That is, OEA, the teachers' union, wanted to reduce its staff and increase the number of employees for which each labor consultant would be responsible. OEA also wanted to freeze salaries and eliminate defined benefit plans for new employees in order to close a \$6.3 million budget deficit.

“At one point, OEA wanted to eliminate all overtime until we pointed out that practice was illegal,” said Margaret Harrod Wardell, president of the Ohio Associate Staff Union.

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- The Pennsylvania State Education Association Staff Organization has routinely charged PSEA, the teachers' union, with regressive bargaining tactics. The staff union sent one memo to local union officers in which it claimed PSEA "has taken positions at the bargaining table that run contrary to its own bargaining principles and goals. It has employed bargaining tactics identical to those employed by school districts everyday."

Unilateral Contract Changes

- In 2002, the Tennessee Staff Organization threatened to strike, and filed an unfair labor practice complaint against the Tennessee Education Association for "unilaterally changing the insurance provisions while in the process of negotiating a successor agreement."

"Merit pay"

Several NEA affiliates have attempted to tie staff salaries to some objective measure of performance or budgetary restriction. Their staff unions have opposed these proposals by labeling them "merit pay." The national NEA is, according to its resolutions, "opposed to the use of merit pay or performance pay compensation systems."

- In 1996, the Michigan Education Association wanted to freeze staff salaries for one year, then directly peg any salary increases to increases in the total amount of members' dues collected.
- Management proposals in Vermont in 1999 and Kentucky in 2000 attempted to tie staff salary increases to attaining specific levels of membership. The Kentucky proposal would have frozen salaries unless the Kentucky Education Association membership totals exceeded 28,500.
- In 1997, the Louisiana Association of Educators not only wanted to tie salary increases to the attainment of particular mem-

bership totals, but also to the positive evaluation of individual staffers, which is the very definition of merit pay.

These proposals were all shot down by the staff union for each NEA state affiliate. In every case involving so-called "merit pay" there was a strike before the union "management" and staff union achieved a contract settlement.

Elimination of Just Cause

- In 1999, the Pennsylvania State Education Association wanted to eliminate a provision in its contract with its staff that guaranteed a probationary employee could be terminated only for "just cause." The union also wanted to extend the probationary period from six to twelve months. The staff union agreed to the extension, but rejected the idea of firing a new employee for any, or no, reason.

Direct Bargaining (Pennsylvania)

In 1996, the Michigan Education Association's staff unions filed an unfair labor practice complaint against MEA, charging it, among things, with "bargaining directly with members of the [staff] union's bargaining unit." This is a breach of protocol that unions never tolerate from management. School district officials occasionally try it when they feel their offers are not being presented fairly (or at all) to the union's membership. In such circumstances, the school board or superintendent will communicate directly with a union's members to inform them of the district's position during negotiations. The teachers' union always reacts vigorously, and demands that any communication with its members regarding contract negotiations be made through the union's bargaining committee.

The most notorious instance of direct bargaining by a teachers' union occurred in Pennsylvania. During particularly bitter contract negotiations in July 1999, officers of the Pennsylvania State Education Association (PSEA) sent a four-year contract offer directly to all employees and offered each a \$1,000 bonus if they would accept

the offer by August 1.

The staff union was furious at being circumvented and recommended the offer be rejected. Nevertheless, the employees voted to accept the offer over the objections of the staff union bargaining team.

The staff union immediately filed an unfair labor practice complaint against PSEA, charging that teacher union officials "engaged in conduct designed to undermine the status of [the staff union] as bargaining agent, by circumventing and bypassing said labor organization in contract negotiations..."

Fast forward to summer 2003: When the four-year contract expired PSEA found itself with a \$14.5 million budget deficit. This time, PSEA reached a tentative agreement with the staff union that contained a \$2,000 settlement bonus and retroactive pay increases. The proposal was rejected in a vote of the staff union rank-and-file. Negotiations continued throughout the summer without success. On September 17, PSEA submitted what it termed a "Last, Best and Final Offer" -- another tactic that brings condemnation when it is attempted by school districts. This offer omitted the bonus and retroactive increases. And, true to previous form, PSEA mailed it directly to all employees.

The offer included a memo to staffers from PSEA explaining that the union was operating on some sort of salary cap principle. "Initially, the PSEA team was operating under economic parameters established by the PSEA Board of keeping future salary and benefit costs at the current proportionate level of approximately 48 percent of the full PSEA budget. Any increase above this level would mean that other PSEA programs or activities would be further negatively impacted," read the memo.

The staff union reacted by going directly to local PSEA officers and representatives for support and accused PSEA executives of engaging in anti-union practices. Various PSEA regions and locals sent motions of no confidence to PSEA's bargaining team. The Eastern region repre-

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representatives called upon the PSEA negotiating team “to immediately cease and desist using the ‘Union Busting’ strategies such as direct mailings to [staff union] members and threats of unilateral implementation of ‘Last Best Offers.’”

Stung by the reaction of members, PSEA submitted a modified last, best, final offer on September 30. Once again, the union mailed it directly to staffers and gave them a ratification deadline of October 17. This time many employees returned the offer to PSEA unopened, demanding that union management deal directly with their staff union bargaining committee. Asked about its practices by the *Harrisburg Patriot-News*, PSEA President Jim Weaver said he sent direct mailings out of concern “that information wasn’t getting back to the people who need the information.”

The new last, best, final offer attached a list of conditions which the staff union was supposed to agree to before both sides went to binding arbitration. One of the conditions: “PSEA shall have the right to lay off employees in response to financial obligations imposed by the Arbitrator.”

The staff union responded by sending PSEA staff members a letter of its own: “The strategies [union managers] are using constitute some of the worst anti-union strategies that the staff has ever seen,” the letter read. “These strategies, if adopted by school districts around the state, will cause serious harm to PSEA’s members.”

The October 17 deadline came and went without action by either side. At PSEA events during the next two weeks, the staff union set up informational picket lines and handed out literature. PSEA’s human resources director sent out a “gag order,” directing employees not to discuss staff contract negotiations in dealings with members.

As the situation continued to deteriorate, the staff union filed an unfair labor practice complaint. It charged PSEA with “bargaining on a take-it-or-leave-it basis,” “monitoring the [staff union] representa-

tives’ and members’ e-mail,” and “threatening to reduce proposals by \$140,000 per month for each month the agreement is not reached.”

As a December 7 PSEA House of Delegates meeting approached, the staff union stepped up its communications with teachers: “In an effort to sell their regressive bargaining position, the PSEA administration has engaged in a staff bashing effort in every region, handing out copies of our current contract and presenting a biased version of their proposals intended to make them look reasonable,” read one staff union pamphlet.

The staff then set up informational pickets outside the hotel hosting the House of Delegates meeting as delegates heatedly debated the contract and the PSEA bargaining tactics. Ultimately the delegates called for marathon bargaining and a press blackout on negotiations. It also voted overwhelmingly against a proposal to increase teachers’ dues by \$25 to settle the contract.

Counting on teacher sympathy, the staff union reacted petulantly to the delegates’ vote. “Unfortunately, PSEA members also behaved like taxpayers,” read a staff union report. “While members support quality in concept, when it comes to raising dues (taxes) to pay for quality, they become very short sighted. It is disappointing to the [staff union] that members are not more responsible than that, but it is a lesson to note.”

The dispute in Pennsylvania has become so distracting that in January 2004 NEA’s national headquarters was forced to intervene. This March a contract was finally hammered out, but its details have not yet been released to the PSEA membership.

Strike Threats, Union Lockouts (Missouri)

When all efforts fail, teacher union employees sometimes find themselves about to walk a picket line outside their own union headquarters. In August 2000, the professional staff of the California Teachers Association (CTA) was poised

to go on strike. Signs were printed, pickets scheduled, and the press notified that CTA was “acting like bureaucrats, instead of union leaders, in a dispute that has gone on since April.”

Union management was not about to allow that kind of bad publicity to distract it from an oncoming political crisis. Facing a school voucher initiative on the November ballot, CTA management gave the staff union a one-year contract and a five percent pay hike. (In September 2003, the AFT-affiliated New York State United Teachers came to a similar last-minute contract agreement after its staff union conducted informational picketing outside the union’s headquarters just prior to a strike deadline.)

However, some teacher unions don’t respond with a quick contract settlement when threatened by a strike. In September 2000, the Missouri National Education Association (MNEA) reacted with a lockout. After lengthy contract negotiations, the Missouri staff union unanimously voted to strike right after the Labor Day weekend. MNEA management did not try to broker a last-minute deal. On Friday, September 1, it told staffers to turn in their keys, folders, computer passwords, and health insurance identification cards. At the close of business, the locks were changed.

MNEA Executive Director Peggy Cochran complained to the press that the staff’s compensation package was exorbitant, noting that it included 25 vacation days, 25 compensation days, five personal days, religious and bereavement leave and up to an \$80,000 salary. When the staff union set up picket lines outside their offices, some MNEA managers called police to monitor the picketers in the MNEA parking lots. The union also posted a message to members on its web page advising them that MNEA offices were open “even while some members of the MNEA staff are on strike.” It told teachers “MNEA managers, confidential employees, executive officers and members of the board of directors are staffing the offices, answering the phones and attending meetings with members.”

Both sides played dirty as the lock-out proceeded. Bob Quinn, vice president of the professional staff union, had a suggestion for its supporters: "As for help today and tomorrow, well, management has scabs manning the phones, so why not call and see if they have any idea what they're doing?" he wrote in a September 4 e-mail. "Here are toll-free numbers for the various MO NEA offices in Missouri. The calls cost you nothing – call often. Call as often as you can. Ask for any Missouri staffer you know, say they're the only one that can possibly help, or just hang up. If you so desire, punching *67 first gets you a new dial tone and blocks caller ID on the other end."

Quinn characterized his bosses this way: "P.S. If you want to get a feel for the management at Missouri NEA, rent the 1958 Oscar-winning film *Bridge On the River Kwai* and watch the 'welcoming' speech by the prison camp commander very near the beginning of the movie." (For those of you who don't remember the film, Colonel Saito, played by Sessue Hayakawa, informs British prisoners of war: "The Japanese Army cannot have idle mouths to feed. If you work hard, you will be treated well. But if you do not work hard, you will be punished.... 'Be happy in your work.' Dismissed.")

The Missouri NEA lockout continued for a week until the professional staff union approved a new contract on September 9.

When Union Staffs Strike (Alaska)

Sometimes staff unions do strike the unions that employ them. In 1996, the Michigan Education Association saw all five of its staff unions go on strike at once. In 1997, NEA staff unions in Ohio and Louisiana simultaneously went on strikes that lasted two and three weeks respectively. Top managers for the Louisiana Association of Educators crossed picket lines to man office phones, while Ohio Education Association managers obtained a temporary restraining order to limit pickets in front of the union's Columbus headquarters.

One of the bitterest strikes occurred in Alaska. In December 2000, NEA-Alaska and its 23 employees were at an impasse on a new contract. Staff union president Willie Anderson complained about management bargaining tactics: "This is the type of behavior we'd expect to see from the most unenlightened school district that doesn't realize the value of its employees." NEA-Alaska President Rich Kronberg replied that the staff was "just blowing smoke."

The staff union authorized a strike to begin on Tuesday, January 16, 2001, immediately after the Martin Luther King Day weekend. But at the close of business on Friday the 12th, according to one staff e-mail report, "NEA-Alaska management blocked the employees' ability to access computer files and email accounts. They also hired Pinkerton to guard the offices and prevent employees from entering. According to a Pinkerton guard on duty in the building, he has strict orders to contact Tom Harvey, NEA-Alaska assistant executive director, whenever an employee tries to enter the office."

The staffers went out as planned on Tuesday, saying that they had received a letter from NEA-Alaska management telling them, "You MAY be employed when the strike is over." The letter reportedly also demanded the return of keys, laptop computers, phone cards, and health insurance ID cards. Kronberg told the *Anchorage Daily News* that professional staffers earned six-figure salaries and that the top secretarial pay was higher than most teachers earned.

The staff union struck back. It issued a complaint of unfair labor practices, claiming Harvey told them (referring to his boss, NEA-Alaska Executive Director Vernon Marshall), "He's a southern boy, he knows all about revenge!" The following week the staff union's strike report claimed "many of the NEA-Alaska members... have crossed our picket line. Many have used the excuse that 'they are management' in this situation. What they are is SCABS in this situation. We don't believe you can change your hat that easily!"

One NEA-Alaska member told me the

picket line crossing was no accident: "The staff is disliked by many members," he wrote. "The ones that work with Anchorage are said to be incompetent and lazy. My friends are glad the NEA-Alaska Board of Directors finally had the guts to take them on." The staff union also picketed NEA-Alaska's delegate assembly in an attempt to force a settlement.

After 18 days, a tentative agreement was reached. However, the two sides were still so angry that they agreed to hire a California consulting firm that "specializes in uniting groups divided by conflict." NEA-Alaska noted that the firm would "provide valuable assistance to us in overcoming feeling caused prior and during the strike."

"You Have a Legal Right to Work" (Kentucky)

Perhaps the most ironic labor dispute in NEA affiliate history occurred in Kentucky in January 2000. Employees of the Kentucky Education Association (KEA) had come close to striking in 1995 over salary issues that rose again in 2000. The timing couldn't have been worse for KEA, which was lobbying the state legislature for a collective bargaining bill.

The six-day strike was like others at NEA affiliates. The KEA Staff Organization (KEASO) accused KEA of anti-union tactics: "We are embarrassed for the members of KEA that this so-called teacher union has become Kentucky's foremost union-buster," said KEASO president Ellen Young. The staff union then picketed NEA's Mid-Atlantic Conference in Louisville. Most national NEA staff did not attend, and Kentucky Lt. Gov. Steve Henry canceled his appearance. However, both NEA President Bob Chase and Vice President Reg Weaver attended the conference and addressed the participants.

But the most fascinating aspect of the Kentucky dispute was what happened the week before the strike. KEA Executive Director Charlie Vice sent a memo to all staffers regarding their "strike questions." Arranged in a question-and-answer format, Vice informed employees that in the event of a staff strike, "KEA has the legal right to hire what are called 'permanent replace-

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ments.” He also let them know, “At the end of the strike, striking employees have the right to return to their former position if it is open or vacant.” And, best of all, he wrote, “You have a legal right to work and you are welcome.”

Vice’s choice of words was striking. The National Right to Work Legal Defense Foundation web site contains a section entitled “Your Legal Rights” organized in a similar question-and-answer format. What are the chances its phrases and Vice’s were coincidental?

Right to Work: “Under the National Labor Relations Act you have a right to strike as well as a right not to strike.”

Vice memo: “First, we want you to know that we recognize your legal right to strike or not to strike.”

Right to Work: “As a union member, you are bound by the union’s constitution and bylaws, which in most unions provide that members who work during a lawfully called strike can be fined.”

Vice memo: “If you have signed up as a member of KEASO, and you come to work during a strike, KEASO may be able to fine or penalize you for working. That depends on KEASO’s by-laws.”

Right to Work: “Nonmembers are not subject to a union’s constitution and by-laws and cannot be fined or otherwise disciplined for working during a strike.”

Vice memo: “If you resign from KEASO, you would not be a member, and would no longer be subject to fines and penalties.”

Right to Work: “You may eventually have to prove when your resignation letter was received...”

Vice memo: “If you resign, it should be in writing, so you have a record.”

If only Vice would let all union members know they have other rights as well.

Members Pay the Price

No matter which side prevails in labor disputes between union management and staff, one group always loses -- teachers and education support employees. To avoid embarrassment, many teacher union officials cave in to staff demands, which means teachers must pay higher dues to receive union services. But union managers reveal their own hypocrisy when they play hardball and use tactics even the most anti-union school administrator would shun. Staff unions rightly note that these union methods only embolden school districts to use the same methods themselves -- to the detriment of unionized teachers.

Though both sides will exploit the media to win support for its position, neither generally wants to go public with its squabbles. The last thing either wants is to make rank-and-file union members aware of union management and staff salaries. A 1995 internal memo from the Washington Education Association (WEA) bargaining team to the board of directors explained this clearly. “WEA employees currently have excellent salary, benefit and employment protection in their contract which if widely known by the membership would cause significant unrest within the Association,” it read.

Maybe everyone would benefit from a little more “unrest.” Unionized teachers and the public would be better off if they knew how unions treat their employees.

Mike Antonucci is the director of the Education Intelligence Agency, a private, for-profit contract research firm that monitors the public education establishment.

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President Ronald Reagan

1911—2004

Capital Research Center mourns the death of President Ronald Reagan. President Reagan's contributions to the conservative movement and to the revival of the American Republic in the closing decades of the 20th century cannot be overstated. When he assumed office in 1981, America was a nation mired in self-doubt and malaise. At home, the economy was riddled with double-digit inflation and anemic growth that threatened to undermine the American people's livelihood and their traditional belief in a better future. Abroad, America was in retreat before the advances of Soviet Communism from Nicaragua to Angola to Afghanistan. President Reagan courageously and decisively met these challenges.

Defying orthodox economic opinion, President Reagan skillfully lobbied Congress to enact the tax cuts that were the centerpiece of his economic revitalization agenda. He slashed personal income taxes by 25 percent, reduced the top marginal tax rate from 70 percent to 28 percent, and cut corporate taxes. The result was an unprecedented era of expansion and prosperity. Between 1982 and 1990, the U.S. economy grew by one-third. Tax revenues increased at an even faster rate. By stimulating productivity and backing the tough interest rate policies of Federal Reserve Chairman Paul Volcker, Reagan ended the high inflation rates that had plagued the economy and consumer for more than a decade.

Not to be forgotten, President Reagan instituted a sweeping deregulation of the airline, energy and broadcasting industries, and reformed anti-trust laws. These policies promoted efficiency and a major business restructuring that greatly enhanced U.S. competitiveness. To a large extent, it was Reagan's policies that fueled the boom of the '90s.

In foreign policy, President Reagan confronted the expansionistic Soviet Empire by dramatically increasing defense spending, deploying intermediate-range missiles to Western Europe, supporting anti-communist resistance movements and – most important – instituting the Strategic Defense Initiative (SDI). As the historical record now clearly shows, Reagan's steadfast commitment to SDI, in the face of often savage criticism from liberal political and media elites, broke the back of the Soviet Union. Unable to compete technologically with a resurgent and newly confident United States, the Soviet elites admitted failure. They withdrew their forces from Afghanistan and other regions, and cut their nuclear arsenals.

President Reagan's visionary policies restored prosperity at home and U.S. prestige overseas. Most important, President Reagan restored the American people's optimism and sense of national purpose. In his 1992 speech to the Republican presidential nominating convention, the last major address of his storybook career, President Reagan perhaps summed up best the essence of his politics:

“My fellow citizens...I want you to know that I have always had the highest respect for you, for your common sense and intelligence and for your decency. I have always believed in you and in what you could accomplish for yourselves and others. And whatever else history may say about me when I'm gone, I hope it will record that I appealed to your best hopes, not your worst fears, to your confidence rather than your doubts.”

Indeed he did.

Capital Research Center extends its condolences to the Reagan family in this time of great sorrow.

Capital Research Center president Terrence Scanlon served as Chairman of the U.S. Consumer Product Safety Commission during President Reagan's second term. Says Mr. Scanlon, “I was proud to have been given the opportunity to work for a President who accomplished so much for conservative principles and the American people.” Scanlon stresses the importance of President Reagan's commitment to the cause of private philanthropy that is central to the Capital Research Center mission. In his first State of the Union speech in 1982, President Reagan said a major goal of his Administration was to identify “successful community models” of charity because “such groups are almost invariably far more efficient than government” in helping the poor, feeding the homeless and aiding the sick. Says Scanlon, “Reagan's belief in the capacity of private charity to assume tasks traditionally reserved for government exemplified his deep faith in the innate goodness of the American people.”

PhilanthropyNotes

On May 13 by a vote of 4-2, the **Federal Election Commission (FEC)** decided not to issue regulations on how “**527**” **political committees** can raise and spend “soft” money donations from individuals, unions and other sources. A “527” committee, named after a provision of the federal tax code, can accept unlimited contributions for spending on political advertising, voter mobilization and other advocacy efforts as long as it doesn’t directly coordinate its activities with a political party or candidate. “527” groups have become important to the Democratic Party because they can organize liberal activists and special interest groups against President Bush and the GOP in this year’s election. They include **America Coming Together**, the **Media Fund** and the **MoveOn.org Voter Fund**. Individuals like George Soros have made large contributions to “527s.” The Republican National Committee filed a complaint with the FEC alleging that these “527s” were illegally coordinating their activities with the Kerry campaign. But the FEC rejected their arguments. Said Republican Bradley Smith, the FEC Chairman, “If Republicans think they can win by silencing their opposition, they are wrong and they are going to deserve to lose.” The conservative lobby group **Progress for America**, a 501(c)(4), applauded the FEC’s decision and encouraged other conservative organizations to counter the liberal “527s.” Progress for America says it will transform itself into a “527.” Republicans also have set up a new “527” called the **Leadership Forum**, headed by Susan Hirschmann, former chief of staff to Majority Leader Tom DeLay.

September Eleventh Families for Peaceful Tomorrows and the **Jersey Girls**, two activist groups representing some families of September 11 victims, charge that President Bush is responsible for the terrorist attacks and is trying to exploit the attacks for partisan gain. Peaceful Tomorrows, which claims a membership of 122 victim relatives, recently criticized President Bush for using September 11 video footage in campaign ads. It also supports repealing sections of the USA Patriot Act, which it describes as “serious threats to the exercise of our constitutional rights.” Peaceful Tomorrows has received \$1.5 million from the San Francisco-based Tides Foundation and its subsidiary, the Tides Center, since September 11. Tides works closely with charitable foundations run by **Teresa Heinz Kerry**, the wife of Senator John Kerry.

Abbott Laboratories and **Hoffmann-La Roche, Inc.**, major pharmaceutical companies, recently came under fire from an anti-drug group and **U.S. Rep. Mark Souder (R-IN)** for giving grants to a **pro-drug legalization** organization. In 2003, Abbott gave \$17,000 to the **Harm Reduction Coalition (HRC)**. HRC believes that “illicit drug use is part of our world and chooses to minimize its harmful effects rather than...condemn them.” HRC also argues that “some ways of using drugs are clearly safer than others.” Roche gave \$75,000 to HRC to ostensibly disseminate “critical HIV/AIDS” information to drug users. Abbott and Roche were listed as sponsors of HRC’s **5th National Harm Reduction Conference**, to be held in November 2004 in New Orleans. But in response to criticism by the **Drug Free America Foundation**, Abbott said it was incorrectly listed as a sponsor and told HRC to remove its name as a conference sponsor. Rep. Souder, Chairman of the House Subcommittee on Criminal Justice, Drug Policy and Human Resources, Committee on Government Reform, criticized the Roche grants. Roche defended the “intent in providing the grants.” But the company conceded that “our funding and the presence of the Roche logo on the Harm Reduction Conference web site could serve to legitimize” drug legalization. Roche promises to be “cognizant of this issue” in its future grant activities.

