

January 2008

To: SEIU Executive Committee

From: SEIU United Healthcare Workers West (adopted by the UHW Executive Board, January 5, 2008)

Cc: Kirk Adams, UHW Executive Board

Re: Response to “Draft Report of the SEIU Organizing Review Committee, November 2007”

In December 2007, United Healthcare Workers West received a copy of the “Draft Report of the SEIU Organizing Review Committee, November, 2007,” (hereinafter, Draft Report) and in subsequent conversations with the leadership of SEIU Healthcare, we were asked to provide comments and reactions to the assumptions and recommendations of the report.

Our local union welcomes the opportunity to respond to the Draft Report as part of a much-needed debate on the direction of our International Union’s organizing and employer relations strategy.

We share the Draft Report’s stated goal of finding ways that “all of us can improve the organizing program.” As the oldest health care workers’ union in the country, UHW remains committed to building a truly national health care workers’ movement that will significantly improve the lives of healthcare workers and the patients and residents who we serve. We also recognize SEIU’s unique role to reverse the steady decline of the labor movement generally. Collectively in SEIU, we are fortunate to operate in a target-rich organizing environment.

Unfortunately, as written, the Draft Report unambiguously reveals the design of the International Union to centralize control of decision-making, direction and financial control of the entire SEIU organizing program, seemingly at the expense of proven local organizing efforts. The Draft Report’s recommendations are not supported by a factual, data-driven, sober analysis that such a final report would warrant.

In fact, the overall hyperbolic tone and cheerleading rhetoric (e.g., “there are nearly a million people . . . whose lives have improved by uniting with SEIU since 1996 in the most successful organizing effort by any union in American history.” p.1) obscure the serious analysis and debate necessary to ensure that SEIU continues to evolve into the pre-eminent twenty-first century union.

Areas for further examination include:

**1. *The impact of the creation of Change to Win.***

At our 2004 SEIU International Union Convention, Andrew Stern announced that SEIU would either “change the AFL-CIO or build something stronger.” Delegates, including those from UHW, voted overwhelmingly to empower our International Union’s Executive Board to withdraw from the AFL-CIO, based on Stern’s pronouncement.

Because it was SEIU’s belief that the internal mechanisms within the AFL-CIO stifled the ability to have a real debate, we, along with several other international unions, boycotted the July 2005 AFL-CIO Convention and shortly thereafter withdrew from the AFL-CIO and created Change to Win.

At the time, the move to create Change to Win many, including Chairperson Anna Burger, compared it to the movement that led to the creation of the CIO seventy years earlier.

But how successful has Change to Win really been? Less than two years after the creation of the CIO in the fall of 1935, three million newly organized workers poured into CIO unions (Robert Zieger, “The CIO, 1935-1955,” [1995], pp.66-67). Furthermore, the CIO was successful in creating a cultural and political world view that captured the power and imagination of workers as workers, in opposition to a society that had been pushed to the brink of disaster by corporate capitalism.

According to a recent article authored by David Moberg (“Has the Change Led to the Win,” **In These Times** [October 24, 2007]), collectively Change to Win unions have actually shrunken in size in the last three years, while AFL-CIO unions have grown. How do we evaluate the success or failure of Change to Win, both in a historical context, as well as a contemporary one? Has the focus of top officers and staff on building Change to Win diminished our ability to move our priorities within SEIU? Exactly how many SEIU dollars have been spent on Change to Win? Has the focus on building an alternative to the AFL-CIO distracted us from our effort to organize and raise standards for workers in SEIU’s basic industries?

**2. *Our success within SEIU in changing workers’ lives.***

Reading the Draft Report, one gets the impression that the approximately one million members who became part of SEIU since 1996 are today earning a living wage with affordable health care. Several factual issues immediately are raised:

- a. Based on our experience in California, we know that of the approximately 309,000 homecare workers in California, more than 230,000 workers (or 75%) earn \$9.50 per hour or less and are ineligible for health benefits, even though 305,000 out of the 309,000 (or 98.7%) are covered by union contracts. We suspect that elsewhere the results are equally mixed, if not worse. In fact, contrary to the statement in the report, an entry-level worker at McDonald’s in LA County, for example, earns wages and benefits that are

comparable to an SEIU homecare worker with ten years' service (or more) in California's most populous county. On what factual basis are the assertions made that homecare workers "can more easily afford to stay with the person they care for instead of looking for a job at McDonald's," or that in-home child care workers "now have the training they need to provide the best possible care" (p.1)?

- b. The situation is similar within Service Workers United, the joint SEIU-Unite-HERE union that represents approximately 15,000 workers at subcontractors Aramark, Compass/Crothall and Sodexo, who provide subcontracted services for predominantly food and janitorial services in health care, schools and other sectors. Among the justifications for this initiative was to establish standards that would create a disincentive for public sector employers and health care providers to subcontract work, but the reality appears to be the institutionalization of a second, substandard tier with the potential to dramatically undermine some of our best standards in the union. Based on our experience where SWU members work side by side with UHW members in our hospitals, SWU members have significant problems reaching staff representatives, still earn barely more than minimum wage, still can't afford health insurance for themselves or their families, and lack pensions and many basic contractual rights found in most traditional collective bargaining agreements, how can the Draft Report claim that "Parents who didn't use to be able to take their children to the doctor when they got sick can now do so," or "Hard-working people who had to work two or three jobs and still were barely scraping by now have more time to spend with their families" (p.1)?
  - c. The Draft Report further claims that hospital and nursing home workers "now have the staffing they need to respond to their patients or clients quickly and safely" (p.1). Recognizing the decade-long fight in California to win safe staffing measures in both the legislature and our collective bargaining agreements, on what factual basis is the assertion made? How many SEIU contracts have staffing committees with the right to strike or arbitrate over staffing disputes? How many SEIU members believe their hospital or nursing home is adequately staffed?
  - d. The Draft Report suggests that one million workers have newly organized into the SEIU family, obscuring the nearly 200,000 workers who joined SEIU through affiliations and mergers, and the thousands of new members who added to our ranks because employers already under contract expanded operation. What standard(s) is SEIU using to measure success (and failure) in our new organizing program and in how successful we truly are in changing workers' lives?
3. ***Whether changes within SEIU in the past decade have increased "accountability and coordination within the SEIU divisions that are made of local unions in each industry" (p.2), and whether the increased revenue to the International Union has produced a commensurate increase in growth.***

The Draft Report concedes that "while we have doubled spending on organizing in four years, we have not doubled results" (p.4). Since 2004, the dollars concentrated in the hands of the International Union have increased dramatically—today each union sends, in addition to net per capita tax of \$7.65 per member, an additional \$5 per member per month to a Unity Fund to help finance national union organizing priorities. Using 1.9 million members as a basis, that means that in 2007 SEIU

received per capita taxes from local unions of \$141,588,000 and Unity Fund contributions of \$114,000,000. For a union the size of UHW (using 142,000 members), that means that in addition to the over \$13 million per year UHW sends to the International Union in per capita taxes, UHW sends another \$8 million per year in Unity Fund assessments. (Currently, the total Unity Funds are equally divided among South/Southwest, Property Services, Health Systems, Public Services, Long Term Care and a discretionary “non-Divisional” fund controlled the International President.) These are significant dollars that UHW members in California send to sustain our International Union and to support organizing outside of California as part of our effort to expand beyond our islands of strength (in addition to other financial and staff support we have provided to various national campaigns) and to build a national health care workers union. But if we understand the report appropriately, the proposal is to ask locals to contribute all or an additional portion of their 20% local organizing funds to an overall national plan, estimated to be over \$125 million per year - in addition to the annual combined \$256 million in per capita taxes and Unity Fund assessments locals already provide. The Draft Report further recommends that “The combined Local Union 20% will be the primary source of funding for each division’s plans. International Union funds and the Unity Fund will be used for major opportunities and projects that cross industry lines,” and adds that the Unity Fund monies will be allocated “where they will do the most good” (p.6). Given the Union’s recent initiative to begin organizing bank tellers (beyond the accountability of a division), how can we be sure that projects that “cross industry lines” are consistent with our overall program to organize in our core industries—health care, property services and public services? How it is determined “where it will do the most good” is left unspecified. The report further states “All levels of the Union will be accountable for their contribution to the plan” (p. 6). “Accountability” should apply to evaluate our progress to date and to determine our future. Before making such a request that “The combined Local Union 20% will be the primary source of funding for each division’s plans,” (p.6) we believe it is incumbent on the national officers to demonstrate how dollars already sent have been allocated, with a detailed reckoning both of the numbers of dollars spent, the numbers of workers organized and the improvement in workers’ lives that have resulted from a number of these campaigns, including but not limited to:

- i. Advocate
- ii. UAN
- iii. CHP
- iv. St. Louis Organizing
- v. Allina/Minnesota Organizing
- vi. Nursing Home Alliance (various states)
- vii. Nursing Home Market Campaigns (Illinois and Ontario)
- viii. Providence
- ix. Value Nurses, Value Care
- x. HCA
- xi. Tenet
- xii. SWU

- xiii. Agency Homecare Campaigns
- xiv. Agency Homecare Alliance Campaigns
- xv. IP Homecare Campaigns
- xvi. Washington/Oregon/Illinois Childcare
- xvii. Justice for Janitors various campaigns
- xviii. Other significant campaigns, including the Public Services

In addition, the Draft Report recommends the creation of a regional “organizing hub” on “each continent” of the planet (p.12). “Funding of the hubs’ operations will be shared by the Change to Win Strategic Organizing Center, SEIU and other CTW affiliates” (p.12). Before recommending a further expansion of these global efforts, we think it’s appropriate to understand the successes and failures of the SEIU global programs to date, including dollars spent, staff allocated, new SEIU members organized as a result of these expenditures and methods for determining success and failure.

***4. The Draft Report does not address how decision-making will occur in the Union around these key issues.***

Aside from a brief statement that “Once decisions are reached through the collaborative process, everyone will work together to carry them out” (p.6). Not discussed is what “the collaborative process” is. Allocation of the Unity Funds and other International Union resources will be allocated “where they will do the most good.” Based on our direct experience in UHW, the collaborative process could be: one that was attempted at Tenet where the officers of the International Union asserted that the International representatives had the right to vote on behalf of unrepresented Tenet workers on a per capita basis and in contravention of the rules of the Unity Council; or the joint SEIU/AFSCME homecare local, California United Homecare Workers Union (CUHW), which represents UHW members in some of California’s rural counties, where the sole UHW representative was removed from the Executive Board by President Stern because (according to the president of the California Homecare Council) she asked too many questions about the “budget and allocation of funds”; or the California Nursing Home Alliance bargaining where representatives from UHW were barred from direct negotiations with our employers even though UHW represented 75% of the workers represented by Alliance employers and was allocated 33% of voting power based on the voting rules established by the International Union; or the California State Council where the rules were interpreted to allow locals that were months and nearly two million dollars behind on their per capita payments and locals without any members to vote in direct contravention of State Council rules. Needless to say, given the importance of these issues and the controversy that already exists around decision-making in our union, simply stating that decisions will be carried out through “the” unspecified “collaborative process,” is wholly inadequate.

5. *The Draft Report makes a number of assertions of opinion represented as assertions of fact.*

Here are a few examples:

- a. In a number of places the report makes the case for focusing “more on large campaigns,” because “Our experience has shown that it often takes nearly as much effort and resources to win small campaigns as large ones” (p.5). Looking at health systems, for example, the numbers may not actually bear out such a conclusion. From 1996 through 2004, the health system division organized approximately 15,000 workers per year. Since 2004, as the control and finances became more centralized with the International Union, the number of workers organized in health systems has dropped to approximately 5,000 per year, and virtually none produced through the larger campaigns the Draft Report advocates. What experience is the Draft Report referring to?
- b. The Draft Report recommends expanding “efforts between rounds of contract bargaining to gain organizing rights for not-yet-union workers in order to separate that, when possible, from negotiations for collective bargaining agreements” (p. 10), implying that this is the optimal way to proceed. What assumptions and experiences is this based upon?
- c. The Draft Report asserts that “Every \$1 spent helps us generate additional resources to help more workers unite with us to win greater gains for workers” (pp.1-2). What does this statement mean?
- d. The Draft Report asserts (p. 14) that undertaking “experimental projects . . . to continue the search . . . for new forms of unionism” like “non-bargaining organizations,” “non-adversarial organizations,” “virtual organizations,” “non-workplace organizations,” and “non-industrial organizations,” are automatically avenues that should continue. Does this mean even at the expense of jettisoning organizing activities in our core sectors? Before such an assertion is made, shouldn’t there first be a full accounting on success and failure, including dollars spent, of these types of projects that the International Union has already undertaken, before committing to a blanket approval to have them continue?

## **Conclusion**

Today, nearly 1 out of 3 dollars that a UHW member pays in dues is sent to the International Union. We do not think that makes us unique in SEIU. In fact, for many SEIU local unions that represent exclusively low wage workers, the percentage of dues revenues forwarded to the International Union today already approaches 50%. The Draft Report recommendation would increase that amount to nearly 50% of a UHW member’s dues dollars that are sent to the International Union, and push the percentage to nearly 75% of dues revenues for locals that represent exclusively low wage workers.

In order to justify such an extraordinary transformation, we believe the burden of proof, the principles of accountability and the tenets of union democracy and worker empowerment are

standards that the leaders of the International Union - and all leaders of our Union - must meet. UHW reaffirms its commitment to see our International Union grow in numbers and in strength, to truly change the lives of our members and the patients, residents and consumers who we serve, and to reverse the decline of the labor movement. But if we in SEIU are going to continue to lead the labor movement into the future, we must be willing to demonstrate where we have succeeded, accept where we have failed, and democratically and collectively decide our future. This Draft Report falls short of what our union should and can be.