



# The Texas Miracle and Labor Policy\*

*Senate Bill 1968*

by Bill Peacock

Texas' economic success over the last 15 years, i.e., the Texas Miracle, has been grounded in the Texas Model: lower taxes and spending, less regulation, a sound civil justice system, and reduced reliance on the federal government.

The results of the Texas Model speak for themselves. Texas has been a magnet for high skilled and low skilled workers alike. For instance, from 2007 to 2013, the population of Texans aged 25 to 64 with at least a bachelors' degree increased by nearly 19 percent, almost 9 percent above the national average. The growth in the Texas workforce has also been ethnically diverse.

Why is this the case? Jobs. Texas has led the nation in job creation for more than a decade now, and Texas businesses have created both high paying and low paying jobs to meet the needs of workers and boost the economy.

Another measure of Texas' success is the performance of its public schools. Texas schools generally outperform the national average on National Assessment of Educational Progress (NAEP) tests in math and reading scores. For instance, average 8th grade math scores for Texas whites, Hispanics, blacks, and Asian/Pacific Islanders were all higher than the national averages for their groups.

What is the reason for these successes? What is the connection between a booming economy, good jobs, and above average test scores?

One significant factor connecting all of these is that Texas is a Right to Work state in which Texans cannot be forced to join a union to get a job. Unlike those states that don't have this employee protection, Texas employees and employers have not seen control of wages, work standards, and other labor-management policy shift almost entirely

to unions. So both in the public and private sectors employers have had more flexibility to innovate, generate better levels of production, and pay productive employees more.

Yet, even though Texas' Right to Work status has kept us from experiencing the labor problems like those in the Midwest, the Northeast, and the West Coast, there are still problems that need to be addressed.

For instance, unions like the Service Employees International Union, National Nurses United, the Teamsters, and the Communications Workers of America have used federal law or pressure tactics, such as "corporate campaigns," to make significant inroads into Texas. One tactic often used is negative publicity to push companies into "neutrality agreements" with a union under which companies might provide personal contact information for employees, give unions access to employees in the workplace, and not to allow employees to vote in secret-ballot elections.

In the public sector, employee organizations often work around the general ban on collective bargaining by government employees to increase membership. One such workaround in public education is through "exclusive consultation" policies that allow only one designated employee organization to meet and confer with school boards about educational issues and employment conditions. A result of this is that Texas school districts' employment policies routinely impose the same "single salary schedules" that are pervasive in states where teachers are overwhelmingly unionized. Another boost to public employee membership in employee organizations is that the state acts as the agent for the payment of employee dues by deducting them from paychecks.

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\*For more on how to improve labor policy in Texas, please see the Foundation's publication, *State Labor-Management Policy and the Texas Model*.

Senate Bill 1968 takes steps to reign in recent union efforts in Texas to gain membership through questionable tactics. The bill:

- Prohibits governmental entities from collecting dues/membership fees from any public employee on behalf of a trade union, labor union, employees' association, or professional association, except in the case of municipal, county, and state fire, police, and EMS department members
- Prevents union representatives from participating in government inspections of non-union worksites without employer consent
- Clarifies that a person may not picket on or near the premises of an employer with whom a labor dispute

does not exist, regardless of whether the premises are temporarily or permanently occupied by the employees of another employer with whom a labor dispute does exist

There is nothing wrong with private sector employees voluntarily joining unions to engage in collective bargaining. Likewise, public sector employees should be able to join organizations that allow them to discuss their employment concerns. However, federal and state labor laws have created an uneven playing field even in Texas where unions often run roughshod over employee and employer rights. SB 1968 will help restore the balance, benefit Texans of all walks of life—along with the Texas economy, and keep the Texas Miracle alive. ★

### About the Texas Public Policy Foundation

The Texas Public Policy Foundation is a 501(c)3 non-profit, non-partisan research institute. The Foundation's mission is to promote and defend liberty, personal responsibility, and free enterprise in Texas and the nation by educating and affecting policymakers and the Texas public policy debate with academically sound research and outreach.

Funded by thousands of individuals, foundations, and corporations, the Foundation does not accept government funds or contributions to influence the outcomes of its research.

The public is demanding a different direction for their government, and the Texas Public Policy Foundation is providing the ideas that enable policymakers to chart that new course.

