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— OF NEW JERSEY —

NEW JERSEY TEACHERS’ DUES: WHY ARE THEY THE HIGHEST IN THE NATION AND WHAT ARE THEY PAYING FOR?

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BURDEN IS FUNDING THE NJEA’S
OUTSIZED, EVEN WASTEFUL
POLITICAL SPENDING AND LAVISH
EXECUTIVE COMPENSATION**

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JUNE 22, 2020

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Executive Summary

New Jersey's teachers are getting a raw deal, and most are not even aware of it. Most spend their energy and passion teaching our children and contributing to their communities, not worrying about where their dues money goes. But each year, most of their \$1,362 of annual dues is spent far away from their local associations. If the facts about how this money is spent ever came to light, teachers would not be happy.

The Sunlight Policy Center of New Jersey aims to shine a light on these facts. Teachers should know that their dues are the highest in the nation and how they are being spent.

Because of a legislative regime designed to benefit their state-level union, the New Jersey Education Association (NJEA), teachers have little choice but to join the NJEA and then have their membership dues withheld from their paychecks. This NJEA-created funding system has proved highly efficient in extracting dues money from teachers, allowing the NJEA's leadership to siphon off billions of dollars of teachers' dues and spend its way to becoming the most powerful special interest in the state. Perhaps this is great for the political organizers who run the NJEA, but has it been great for teachers?

With this system in place, the NJEA has not been shy about taking teachers' money: they take more of it than any other state teachers' union – by a large margin and for a long time.

They also keep 70 percent of teachers' overall dues – also the largest proportion of any state teachers' union in the country. Even though most of the representational work on teachers' behalf is done by their local associations, local associations receive a mere 12 percent of a teacher's overall dues. Even the NJEA's national parent, the National Education Association (NEA), takes 15 percent. That's 85 percent of teachers' dues traveling up to the NJEA and NEA.

In dollar terms, of the \$1,362 in total dues, the average New Jersey teacher now sends \$1,146 a year to the NJEA and NEA, over seven times the \$163 that goes to the local association. And ever since the take-over of the NJEA Executive Office by political organizers in 2013, teachers' dues have increased at almost twice the rate of teachers' salaries, reducing teachers' take-home pay.

And for what?

First and foremost, outsized and even wasteful political spending that too often has little to do with the issues teachers care about at the local level. NJEA political spending increased over 50 percent from 2009 to 2018 – more than three times the rate of inflation. 2013 was a watershed year for the NJEA: the political organizers took over the NJEA Executive Office and political spending jumped 34 percent from pre- to post-2013. This resulted in the post-2013 NJEA spending almost four times more on politics than any other special interest. By 2018, half of all dues revenues - \$64.5 million - was devoted to political spending. The NJEA was so awash in dues money that it could heedlessly waste \$5.4 million of teachers' dues on a futile effort to unseat Senate President Steve Sweeney, who won in a landslide.

And on lavish compensation for the very same executives who directed that massive increase in political spending. Post-2013, the average top-ten-earning NJEA executive saw compensation climb 23.3 percent to \$509,423 per year, well within New Jersey's top five percent of earners. Meanwhile, teachers saw their pay stagnate, up a mere 4.6 percent, so that the average top-ten exec's pay rose to more than seven-times what the average teacher earned.

New Jersey's teachers paid for all of this. From 2013 to 2017, they paid for political spending to go up 24.8 percent; they paid for top-ten compensation to go up 23.3 percent; they saw their dues climb 11.8 percent: all of these at two-to-six-times higher growth rates than their stagnant salaries. NJEA President Marie Blistan has decried reduced take-home pay for teachers due to the Chapter 78 healthcare law, but she appears to be perfectly content to let their take-home pay decline in order to pay increased dues to the NJEA.

New Jersey's teachers deserve better. They should demand better.

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Introduction: A System Designed to Extract Maximum Dues from Teachers¹

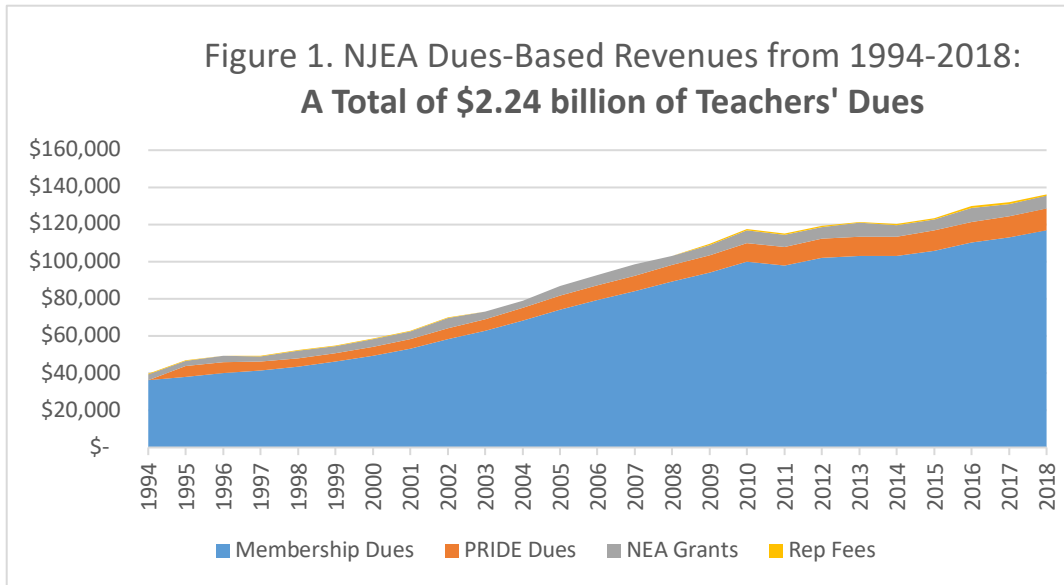
Teachers have never really had a choice about joining the New Jersey Education Association (NJEA). Up until 2018, teachers were forced to join the NJEA because they were required to pay up to 85 percent of regular dues in agency fees even if they chose not to join the NJEA. Unsurprisingly, more than 99 percent of teachers joined the NJEA. Agency fees were ruled unconstitutional by the Supreme Court in 2018 but were replaced by equally coercive state legislation (discussed on pages 5-6). So teachers are still effectively forced to join the NJEA.

And they have never really had a choice about their dues. Under NJEA-friendly conditions permitted by legislation, soon after a new teacher is hired, he or she is requested by union officials to authorize dues withholding. Under these circumstances, very few new teachers refuse. Thereafter, their dues are automatically withheld from their salaries by local school districts. Teachers never even see the money.

This greatly benefits the NJEA in two ways. First, the school district acts as the NJEA's taxpayer-financed bill collector. Second, once withholding is in place, teachers are never allowed to reconsider whether their paying out \$1,362 a year is worth it to them – the way most people do when they cut checks every year to private membership organizations. That money never even makes it into their paychecks or bank accounts. They don't have a choice anymore.

These teachers' dues are the life-blood of the NJEA. Over the past 25 years, 96 percent of the NJEA's revenues have come from teachers' dues.²

This funding system has proved exceptionally efficient in extracting teachers' dues. As shown in Figure 1, since 1994, a total of \$2.24 billion of teachers' dues have flowed to the NJEA, reaching a record high of \$136 million in 2018. That amounts to a 244 percent increase, which is 41 percent higher than New Jersey inflation during that period,³ and a compounded annual growth rate of 5.1 percent. Put another way, **the revenues the NJEA extracted from teachers went up over 5 percent every year for 25 straight years.**



Source: NJEA Financial Statements in *NJEA Review 1994-2018*

I. How Teachers' Dues Are Extracted

The NJEA's taxpayer-funded revenue machine did not simply appear. It was deliberately constructed by the NJEA to achieve precisely what it has achieved. **The result is a funding system that benefits the NJEA: not the teachers, not the local associations, but the state-level NJEA and its national-level parent, the NEA.**

The NJEA Gains Laws That Secure Taxpayer Funding

With great deliberation and persistence over many years in the 1960s and 1970s, the NJEA used its political clout to construct a funding system that funnels taxpayer dollars directly into its coffers. This expertly designed legislative regime had three pillars: exclusive bargaining authority, agency fees and the automatic withholding of teachers' dues. The legislature passed each of these laws after prolonged NJEA lobbying.⁴

School Districts Are the Bill Collector for the NJEA – and Only the NJEA

Thanks to this legislative regime, local school districts effectively act as the bill collector for a private, special interest – all on the taxpayers' dime. **The NJEA appears to be the only private membership organization with this sort of privilege.** A study of the withholding codes for seven school districts reveals that no other private membership organization is granted the power to withhold dues from its members' paychecks.⁵

Various levels of governments have the power to withhold taxes. Teachers can also choose to set aside money for their personal benefit: retirement and savings accounts, insurance policies, health benefits and Flexible Spending Accounts, and personal loans. A court can order

garnishment of wages for the repayment of debts as a result of a judicial determination of debt delinquency or unpaid child support. Lastly, teachers can choose to have donations to the charity United Way withheld from their paychecks.

The one exception to these categories of withholding is the NJEA, which can have both regular dues and contributions to the NJEA's Political Action Committee (PAC) withheld from members' paychecks. The NJEA is a private membership organization. It is not a governmental entity nor a court of law. It is not a charity. The benefit of the withholding accrues to the NJEA, not the teacher. **No other private membership organization can have a local school district act as its bill collector.**

Enormous Taxpayer Subsidy for the NJEA

The value of the school district's being the NJEA's bill collector is enormous and worth far more than simply the costs to administer the dues withholding. Most private membership organizations must expend significant resources to attract and retain members and keep them cutting a check every year for their dues. This requires substantial expenditures for communications channels to continuously persuade members to stay engaged and contributing as well as bill collecting from non-compliant members. As Jeffrey Keefe of the Economic Policy Institute described, dues-check-off "has enabled most unions to shift their resources away from basic revenue collection and, instead, rely on the employer's payroll services to deduct and transfer funds."⁶

As an organization with over 200,000 members, the NJEA would likely have to spend many millions of dollars each year communicating with, persuading and collecting dues from its members. And it would likely find that some members inevitably refuse to cut checks. But the NJEA gets automatic, 100-percent payment compliance every year - for free.

Over the long term, allowing school districts to be the NJEA's bill collector constitutes an enormous taxpayer subsidy of a private, special interest worth tens of millions – or even hundreds of millions – of dollars.

The Coercion of Agency Fees Is Replaced by the Coercion of the WDEA

In June 2018, the U.S. Supreme Court ruled in *Janus v. AFSCME* that agency fees were an unconstitutional infringement on non-members' First Amendment rights. Agency fee laws permitted the NJEA to charge non-members up to 85 percent of regular dues, so that teachers would be paying the NJEA regardless of whether they joined the NJEA or not. Unsurprisingly, over 99 percent of teachers joined the NJEA. The *Janus* ruling undercut this coercive pillar of the NJEA's funding.

Anticipating such a ruling, the NJEA and its public-sector union allies went to work on legislation designed to circumvent *Janus* and ensure the maximum number of members from which to extract dues. Before the *Janus* ruling was even handed down, the New Jersey legislature passed

the “Workplace Democracy Enhancement Act” (WDEA), which Governor Murphy dutifully signed into law on May 18, 2018.⁷

The WDEA effectively replaced the coercion derived from agency fees with coercion based on granting the NJEA mandated, exclusive access to new teachers, exclusive control of teachers’ private contact information and limitations on teachers’ ability to leave the NJEA. Moreover, school districts are discouraged from informing teachers of their First Amendment rights as enunciated in the *Janus* decision.

The WDEA’s implicit coercion is well demonstrated by considering the hypothetical case of a new teacher. Entering the building for the first time as an employee, the newly hired teacher is confronted with an entrenched, long-standing status quo where over 99% of the teachers belong to the NJEA and required to attend a mandatory, exclusive “persuasion” session with union officials. It seems highly likely that the new teacher would feel considerable pressure to join the NJEA – especially since it is unlikely anyone would inform the teacher of his or her First Amendment right not to join. Having joined the NJEA, dues will be withheld, personal contact information will be sent exclusively to the union, and the teacher’s ability to leave the NJEA will be circumscribed. Going forward, the union will be a regular presence in the teacher’s work day, with union meetings held on school property and union emails coming over the school’s internal email system.

The WDEA has worked exactly as planned. Senate President Steve Sweeney commented on the fact that since *Janus*, public-sector union membership has not declined: “When *Janus* was first coming out, people were projecting enormous losses of membership, especially for the public sector. We [the legislature] wanted to make sure that unions had equal footing and access to membership, and **obviously it’s worked.**”⁸

It is easy to see why the NJEA lobbied hard in support the WDEA: it circumvents *Janus*, enhances their access to new hires and their control over existing members, and conscripts the school district for even more of the NJEA’s administrative tasks. It is harder to see how teachers benefit from this. Perhaps this explains why the NJEA was unusually muted in its announcement of the passage of such a significant legislative victory as the WDEA.⁹

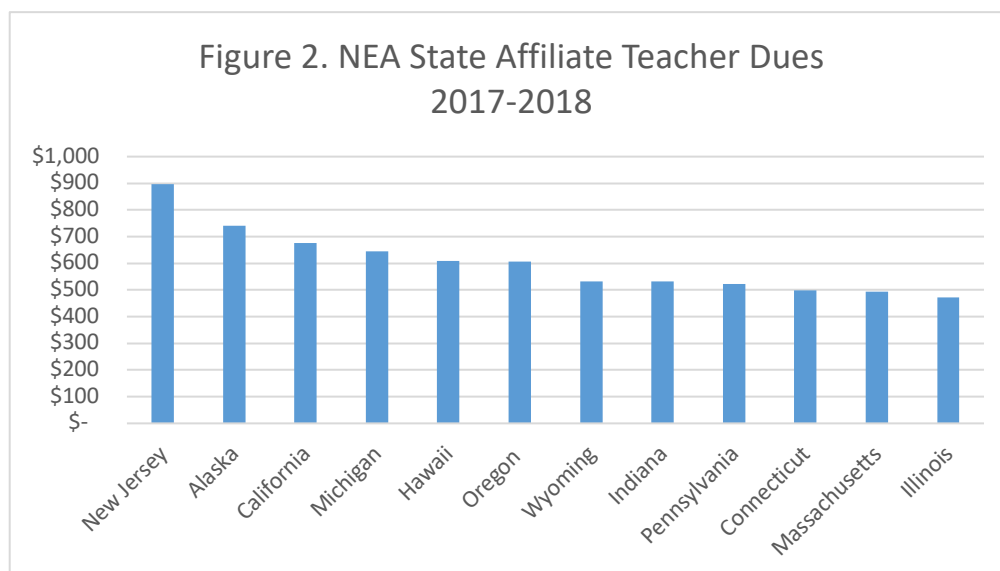
With its taxpayer-funded revenue machine in place, the NJEA was free to extract maximum payments from its members, which is exactly what it did.

II. The NJEA Takes More Teachers’ Money Than Any Other State Union

The NJEA has used its extraordinary power to extract money from its members exceedingly well – in fact better than any other state-level union: **New Jersey teachers pay more into their state-level union than any other teachers in the country.** By far.

Information on state-level union member dues is difficult to obtain and generally not made available to the public. Teachers’ union watchdog Education Intelligence Agency was able

compile a list of teacher dues for every state-level affiliate of the NEA for 2017-2018, including the NJEA. The NEA has state-level affiliates in every state and for the most part they are the dominant teachers unions in those states.¹⁰ As shown in Figure 2, **NJEA teacher dues were \$897, the highest in the nation and more than 21 percent higher than second-place Alaska, and a whopping 82 percent higher than Massachusetts**, often compared to New Jersey as one of the top public school systems.¹¹

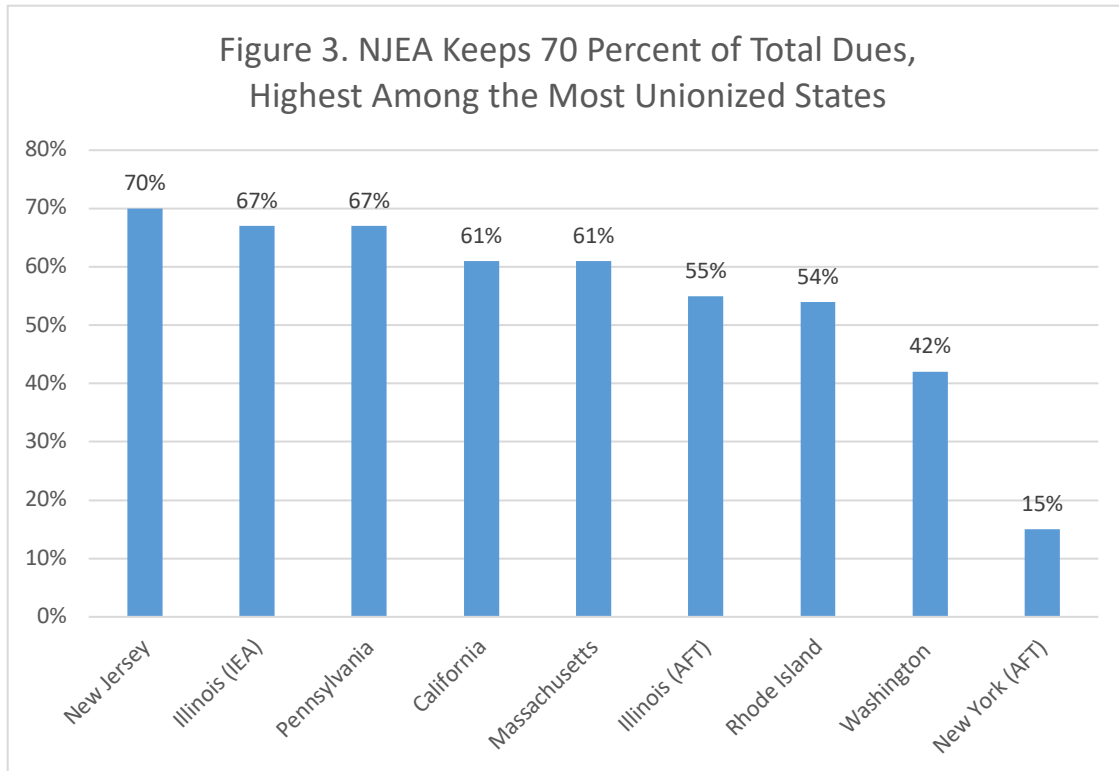


Source: Education Intelligence Agency

The NJEA Keeps 70 Percent of Teachers’ Dues for Itself – More than Any Other State Union

The main mechanism by which the NJEA extracts money from its members is regular member dues, and as might be expected, the NJEA keeps the vast majority of those dues for itself to use as it sees fit. The NJEA requires its local affiliates to collect “unitary dues” so that the dues for the local associations, the NJEA, and the NJEA’s parent, the NEA, are withheld from teachers’ paychecks at the local school district level. School districts then send the withheld dues directly to the NJEA, and the NJEA remits back to the local association its portion.¹² Such a system concentrates the money in the NJEA’s hands, and unsurprisingly, Figure 5 shows that **the NJEA keeps seventy percent of the overall unitary dues for itself** – very likely the highest proportion of total dues in the nation.

The California Policy Center (CPC) analyzed the state-level teachers unions for the five states with the largest number of unionized public sector employees: Washington, California, Illinois, New York and Pennsylvania.¹³ In addition, other researchers undertook a studies of Massachusetts, Illinois and Rhode Island, all states with a large and powerful teachers’ unions.¹⁴ As shown in Figure 3, SPCNJ analyzed six local associations and found that the **NJEA topped them all by taking seventy percent of overall dues.**¹⁵

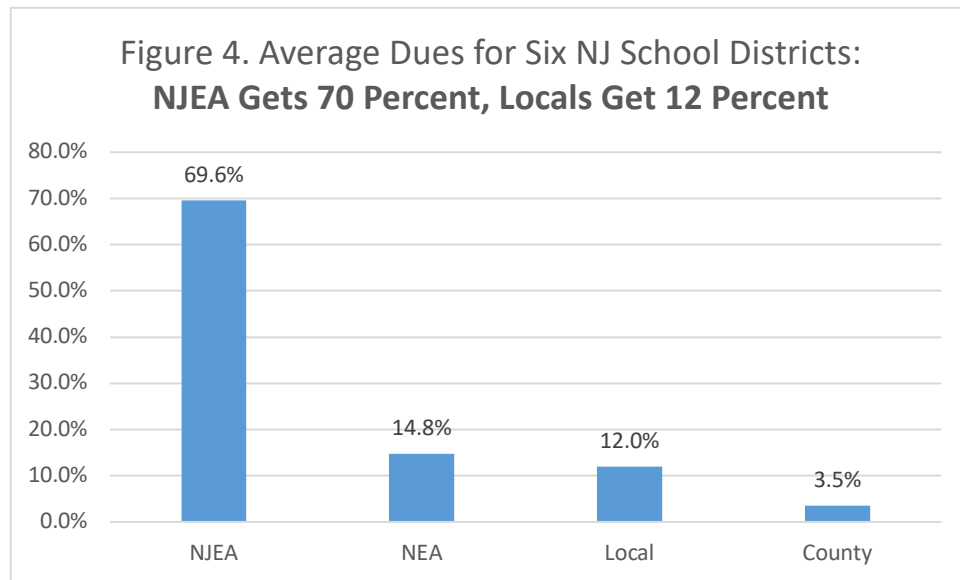


Sources: Sunlight Policy Center, California Policy Center, Illinois Policy Center, Rhode Island Center for Freedom and Prosperity and Pioneer Institute

Local Associations Do Most of the Work but Get Much Less of the Money

Local associations are popular with teachers. The local union representatives are elected by the local teachers and have roots in the community. They spend most of their time working on behalf of teachers on the local issues that teachers care about such as negotiating salaries, health benefits, working conditions and professional development. But teachers must pay their dues to the local, state and national unions all at the same time. Only a small portion of these dues makes its way back to the local association. The rest goes to the NJEA and NEA where it is used for political spending on issues that may or may not pertain to local members and for rich executive compensation. As the CPC study noted: “vast sums of money are not used for local organizing purposes but instead are funneled up to the state and national level affiliates to lobby politicians and fund campaigns.”¹⁶ New Jersey presents a prime example of this reality.

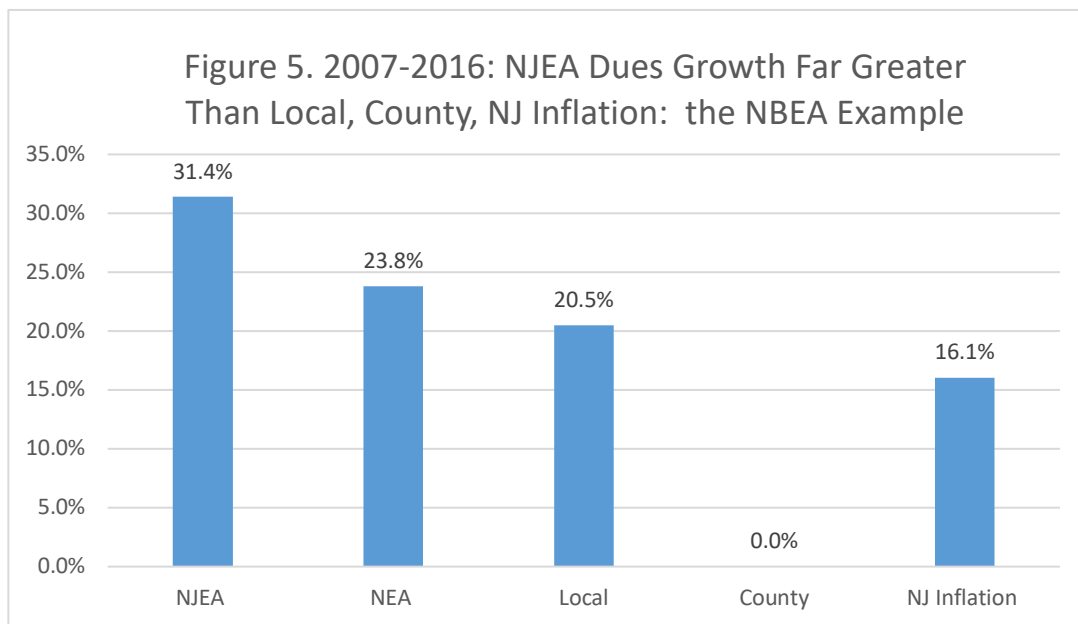
As shown in Figure 4, the same SPCNJ study of six local associations revealed that while the NJEA takes a full 70 percent of its members’ dues, **the local association, with the most direct connection to members and where most of the representational work is done, gets a mere 12 percent.** Even the most-removed, national union – which lobbies in Washington, DC and funds national campaigns or campaigns in other states – gets more than the local association at 15 percent. **Put another way, the state- and national-level unions take 85 percent of New Jersey teachers’ dues.**¹⁷



Source: SPCNJ

Increasing NJEA and NEA Dues Reduce Teachers’ Take-Home Pay: The NBEA Example

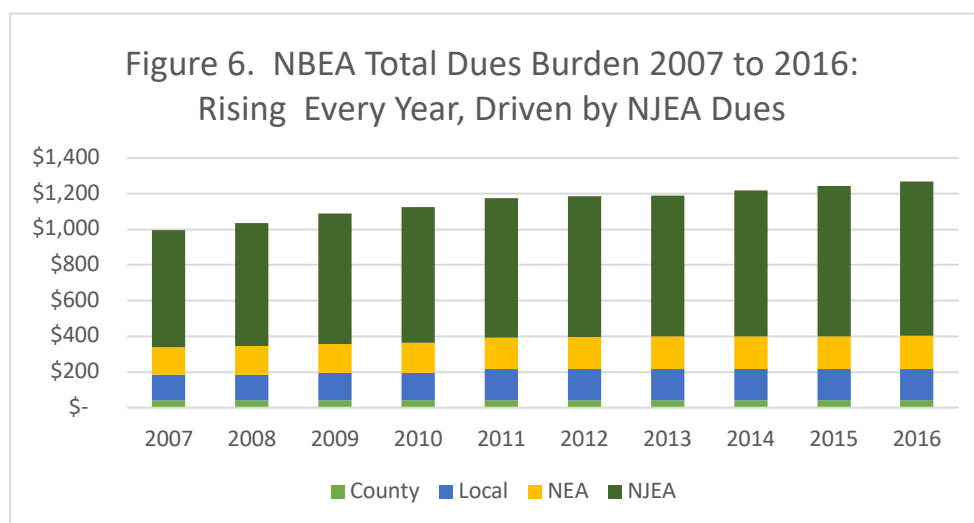
The New Brunswick Education Association (NBEA) provides an example of the NJEA’s large and growing extraction of dues from teachers. As shown in Figure 5, from 2007 to 2016, New Brunswick teachers saw their NJEA dues increase 31.4 percent or almost twice the inflation rate for the period. NEA dues grew by 23.8 percent, outpacing both local and county association dues growth. Local association dues grew by 20.5 percent and County Association dues did not grow at all.¹⁸



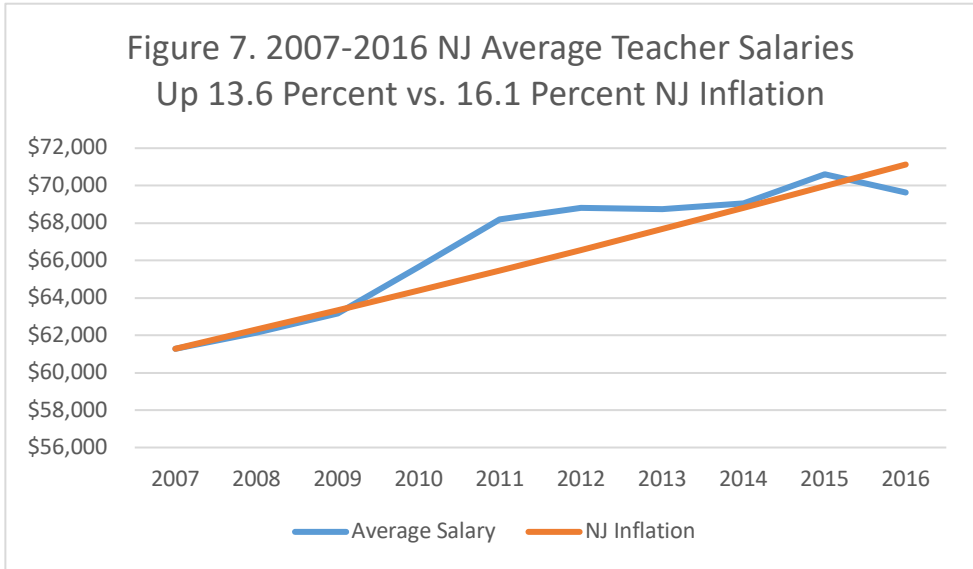
Source: New Brunswick Education Association

As is clear from the NBEA example, there is a reason why the NJEA takes more of its members' dues than any other state-level union: **the NJEA feels free raise its dues at twice the rate of inflation and at a 53 percent higher rate than local dues** (31.4 percent versus 20.5 percent). Again, it is the local association that does the vast majority of the hands-on work of representing its teachers but the vast majority of the money from the teachers' dues flows upward to the NJEA and NEA – at an ever-increasing rate.

Figure 6 shows the 27.4 percent increase in a New Brunswick teacher's total dues burden from 2007 to 2016 and how NJEA dues stand out as the main driver.

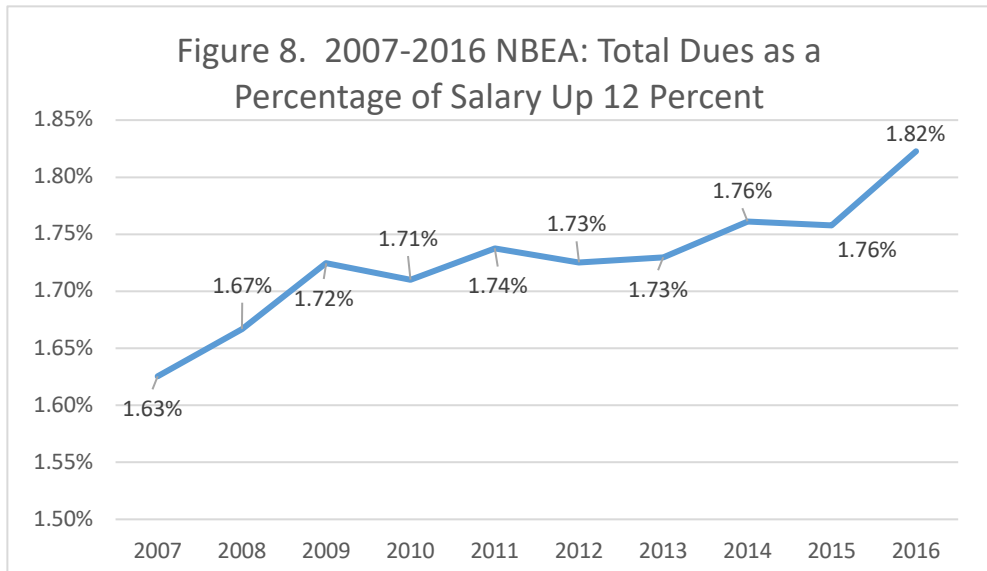


In contrast to the ever-rising dues burden, during 2007 to 2016 period, the average New Jersey teacher's salary growth was stagnant. As shown in Figure 7, **the average New Jersey elementary and secondary school teacher saw his/her salary grow by a mere 13.6 percent - less than half of the 27.4 percent that NJEA dues grew - and even less than the New Jersey inflation rate of 16.1 percent.**¹⁹



Source: National Center for Education Statistics, 2007-2016.

As shown in Figure 8, the end-result is that for the decade from 2007 to 2016, NBEA teachers saw their total dues eat up more and more of their salaries, rising from 1.63 percent in 2007 to 1.82 percent in 2016. As shown in Figure 6, by far the biggest driver of this increase was NJEA dues.

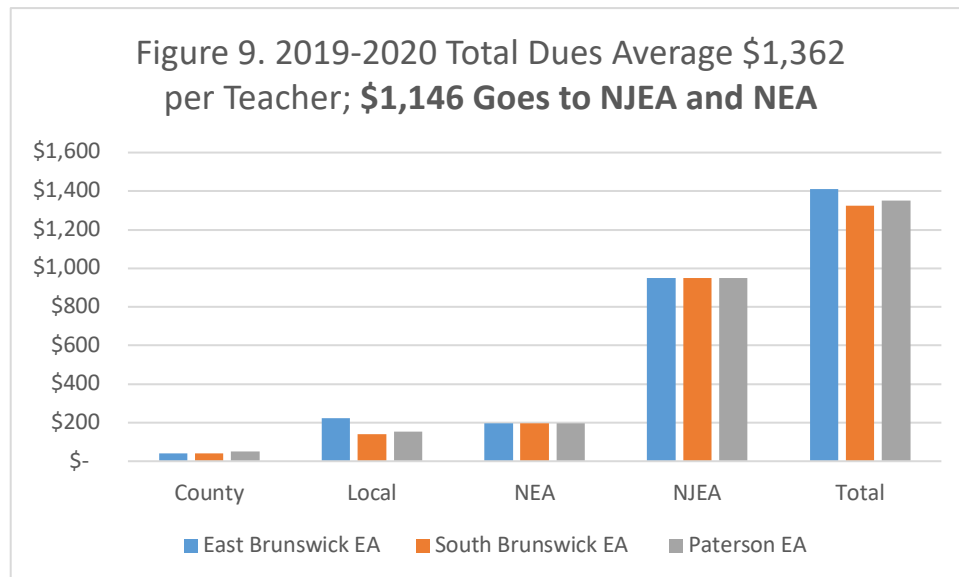


Sources: New Brunswick Education Association, National Center for Education Statistics.

Current Teachers’ Dues: \$1,146 a Year to NJEA and NEA; \$163 to the Local Association

To get a representation of the current dues burden (the 2019-2020 school year), SPCNJ researched three districts: South Brunswick, East Brunswick and Paterson. The total dues burden for a NJEA teacher in these districts comes to an average of \$1,362 per year.²⁰ The

website *Salary.com* determined that as of April 2020, the average public school teacher salary was \$64,120, so the total dues burden on a current New Jersey teacher comes to 2.1 percent.²¹ As Figure 9 shows, **these teachers currently send \$1,146 a year to the NEA and NJEA, over seven times the \$163 allocated to their local associations.**



Source: East Brunswick EA, South Brunswick EA, Paterson EA.

Recall that NJEA President Marie Blistan has loudly lamented the reduction in teachers’ take-home pay due to the Chapter 78 healthcare law: “premium increases will grow more quickly than salary increases, **leading to lower take-home pay year after year.**”²² Apparently, it is a problem when teachers’ take-home pay is reduced because of the higher premium contributions for Platinum-plus-level healthcare benefits, but when teachers’ take-home pay is reduced to pay for more NJEA political spending and higher NJEA executive compensation, it is all OK.

III. Teacher Dues Fund Massive and Even Wasteful Political Spending

The numbers above show that the NJEA has succeeded in extracting maximum dollars from teachers. Teachers’ dues burdens and the NJEA’s dues revenues rise every year. This is particularly true of the post-2013 NJEA, after the political organizers took over the NJEA’s Executive Office and the NJEA shifted from a “services model” to a political “organizing model” (discussed below).

What has the NJEA been spending all these teachers’ dues on?

Politics, Politics, Politics

Once a teachers' professional association, the modern NJEA is mainly a political organization. It views the entire New Jersey public school system through a political lens:

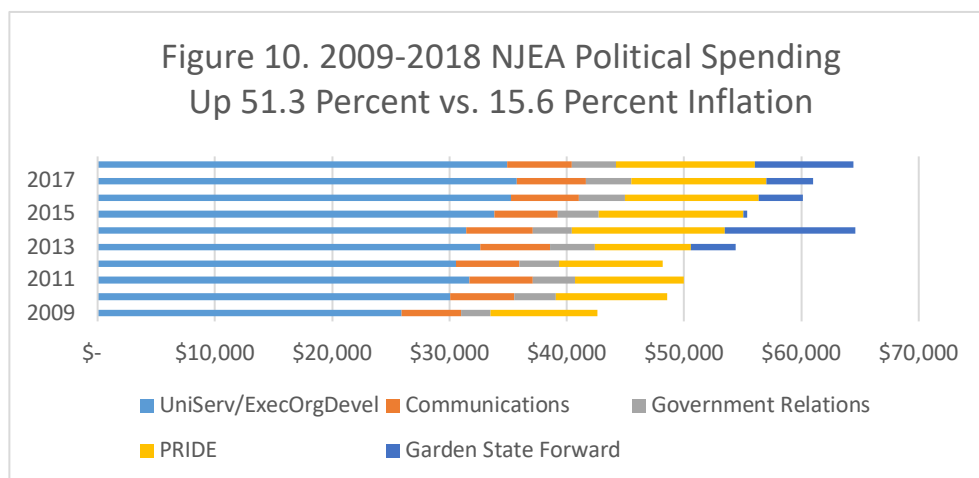
“Face it, every decision – from pensions and privatization, to salaries and benefits – is a decision made by people who hold public office. The only way to influence these decisions is to elect candidates who support our public schools and our active and retired school employees.”²³

Indeed, the NJEA's mission statement makes clear what its institutional priorities are:

“The mission of the New Jersey Education Association is to advance and protect the rights, benefits and interests of members ...” – listed first, all of which are political goals, followed by - “... and promote a quality system of public education for all students.”

On its website, the backdrop for the mission statement is a large photograph of a political protest in front of the statehouse in Trenton in which hundreds of red-shirted NJEA members (red is the official color for NJEA political protest shirts) holding up signs. This provides an unmistakable political overtone for the words of the mission statement.²⁴

The NJEA has built a political organization to match this politicized mission, and it shows in the NJEA's political spending.²⁵ Figure 10 shows the dramatic increase in NJEA political spending over the past decade: up 51.3 percent to \$64.5 million in 2018, or more than three times the rate of inflation (15.6 percent).



Source: NJEA Financial Statements as presented in the *NJEA Review*, 2009-2018, and NCES.

2013: Political Organizers Take Over the Executive Office and the NJEA

2013 was a watershed year. Previously, political organizing was the province of UniServ,²⁶ but in 2013, the entire UniServ Headquarters, with all its top-level political organizers, was moved to the Executive Office, along with its the personnel, positions and funding.

A look at the current staffing of the executive office reveals the totality of this transformation. Six of the twelve positions are for political organizers who moved from UniServ Headquarters to the Executive Office in 2013.²⁷ The NJEA's top three executives also come from the ranks of political operatives: the Executive Director was formerly an Assistant Director of UniServ, the NJEA Deputy Executive Director has been the interim Director of Government Relations for over a year, and the top-listed Associate Director comes from a community organizing background.²⁸ That makes three quarters of the current Executive Office staff that are involved in political operations. And it is actually more than that because even a seemingly non-political position such as Manager of Human Resources gets involved in political operations.²⁹

Coincident with ascendance of the political organizers in 2013, the NJEA created its own Super PAC, Garden State Forward (GSF). Registered under Section 527, GSF can spend unlimited amounts in independent expenditures in support of favored candidates or political issues. (Figures 10 and 11 show the substantial impact GSF has had on the NJEA's overall political spending).

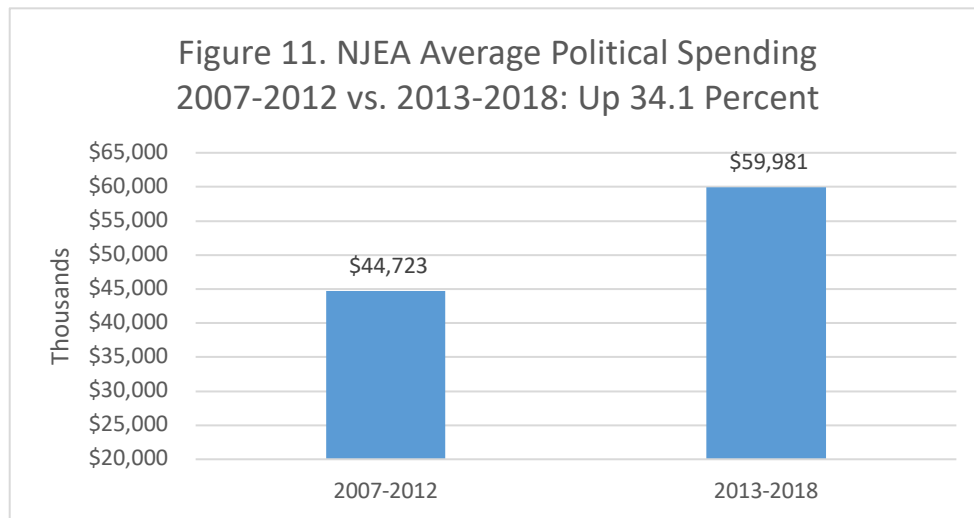
In 2016, this shift towards political action officially moved from the Executive Office down throughout the organization. The NJEA told its members that it was "shifting its style of unionism from the existing 'services model' to an 'organizing model.'"³⁰ The NJEA's political rationale was clear: "We need to take New Jersey back, and we can only do that with engaged, informed, involved members who see NJEA not merely as a service provider, but as an opportunity to organize." With this shift, **a more apt name for UniServ would be UniOrg – as in "Unified (Political) Organizing."**

This shift naturally involved the NJEA's network of allies: "Democracy is about learning the process by which decisions are made and organizing with like-minded people and organizations to shape those decisions." We do not despair when we lose a political contest, "we organize."³¹ The NJEA now counts on this massive network of allies, which it funds and supports with teachers' dues money, to magnify and expand the NJEA's political influence.³²

The NJEA's move to a political organizing model appears to be permanent and now informs the way the NJEA deals with local associations. In December 2019, in describing the ascent of long-time political organizer Steve Swetsky to NJEA Executive Director, the NJEA spoke of "**a shift from NJEA staff and leaders being perceived primarily as service providers, to an emphasis on staff's role as partners with local and county associations in organizing members** to empower them to take the lead."³³

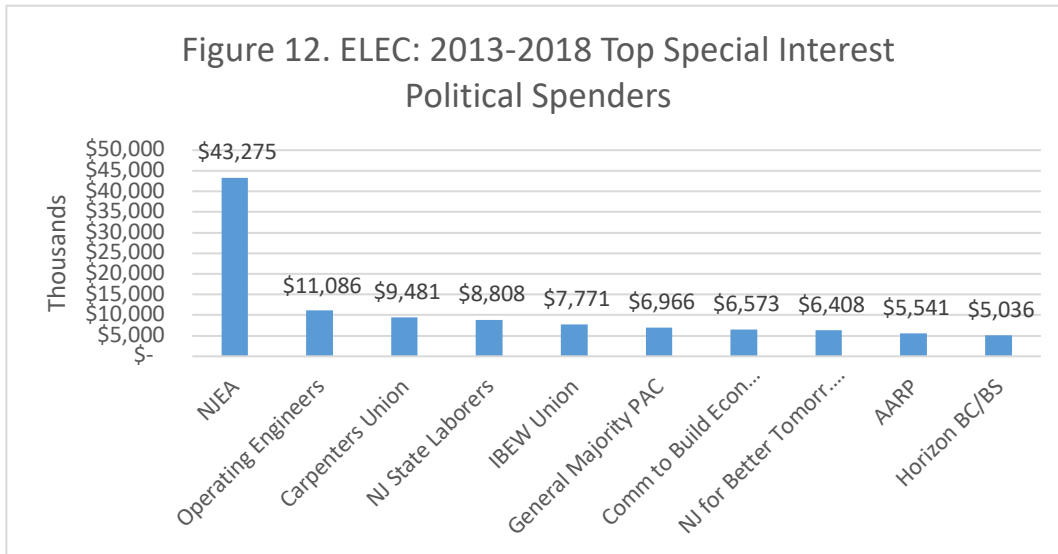
And Political Spending Spikes Upward

As seen in Figure 10, GSF spending dramatically increased overall NJEA political spending from 2013 onward. This helped drive an overall increase in political spending. Figure 11 shows that, all told, **NJEA political spending jumped from an annual average of \$44.7 million from 2007 to 2012 to an average of \$60 million from 2013 to 2018, an increase of 34.1 percent.**³⁴ Over one-third of this came from GSF spending alone: from 2013-2018, GSF spent a total of \$31.4 million dollars, or over \$5.2 million per year.



Source: NJEA Financial Statements as presented in the *NJEA Review*, 2007-2018.

To get a sense of just how outsized the NJEA's political spending is, the Election Law Enforcement Commission (ELEC) provides data on reported political expenditures by special interests (which capture only a part of the NJEA's actual political spending).³⁵ Figure 12 shows that from 2013 to 2018, the NJEA spent a total of \$43.3 million, or almost four times the second-highest political spender.³⁶



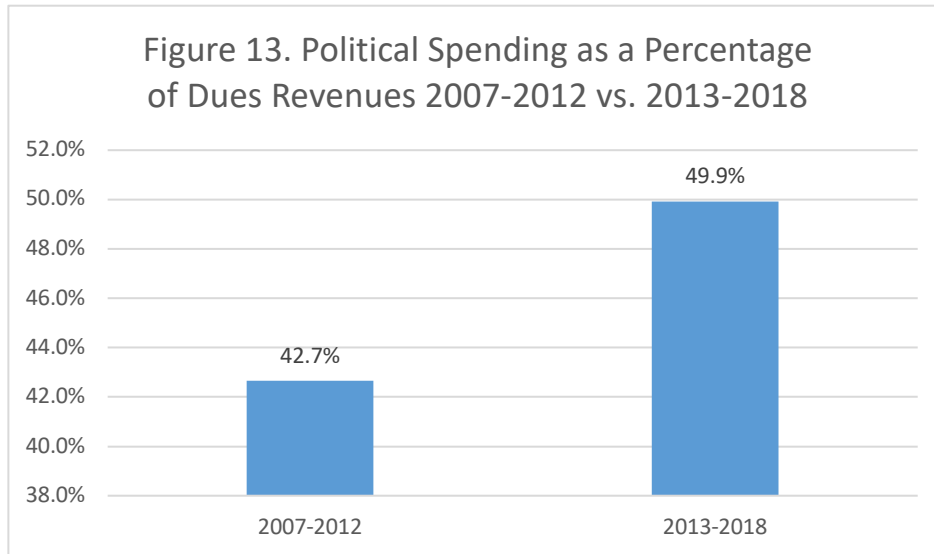
Source: New Jersey Election Law Enforcement Commission

Wasting Teachers' Dues Money on Politics: \$5.4 million to Try to Unseat Senator Sweeney

Apparently, the combination of all this available dues money with the NJEA's hyper-politicized focus has resulted in a willingness to waste large amounts of its teachers' dues. In a particularly egregious example of profligate political spending and utter disregard for teachers' dues burden, the NJEA attempted to unseat Democratic Senate President Steve Sweeney in 2017. The result was the **most costly state legislative race in US history**, which tripled the previous high for a New Jersey legislative race.³⁷ **The NJEA's independent expenditure arm, GSF, spent a jaw-dropping \$5.4 million backing a Trump-supporting Republican in a futile attempt to defeat the popular, 16-year incumbent Sweeney.**³⁸ The result: Sweeney won by 18 percent, his largest margin of victory ever.³⁹ The bottom line is that the NJEA leadership heedlessly wasted over \$5 million of annual dues paid out of teachers' salaries.

Half of Teachers' Dues Now Go to NJEA Political Spending

Because teachers' dues make up the vast majority of the NJEA's revenues, they provide the vast majority of the funds for the NJEA's political spending.⁴⁰ As political spending jumped from 2013 onward, so did the percentage of dues that was devoted to political spending. As shown in Figure 13, political spending as a percentage of dues revenues increased from an average of 42.7 percent from 2007 to 2012 to 49.9 percent from 2013 to 2018. In other words, **post-2013 political spending now consumes half of teacher's dues.**

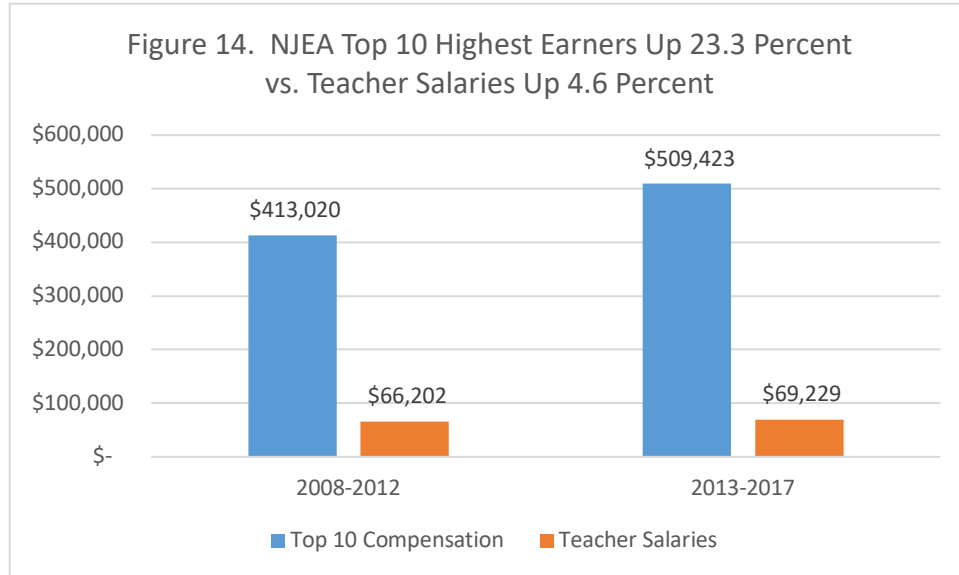


Source: NJEA Financial Statements as presented in the *NJEA Review*, 2007-2018.

IV. Teachers’ Dues Fund Lavish Executive Pay

Along with the take-over of the NJEA by political organizers and the coincident use of dues money to increase political spending, an increasing amount of teachers’ dues has gone to richly compensating those same political organizers. As indicated above, **this has occurred at a time when teacher salaries were stagnant and dues were eating up an increasing amount of those salaries.**

As can be seen in Figure 14, compensation for the NJEA’s top-ten executives has sky-rocketed, up an average 23.3 percent for the five-year periods before and after the 2013 shift – over five-times the growth in teachers’ salaries for those periods.⁴¹ **At an average of \$509,423, this places the average top-ten-earning NJEA executive’s earnings solidly in the top five-percent of New Jersey earners and at over seven times the average teacher.**



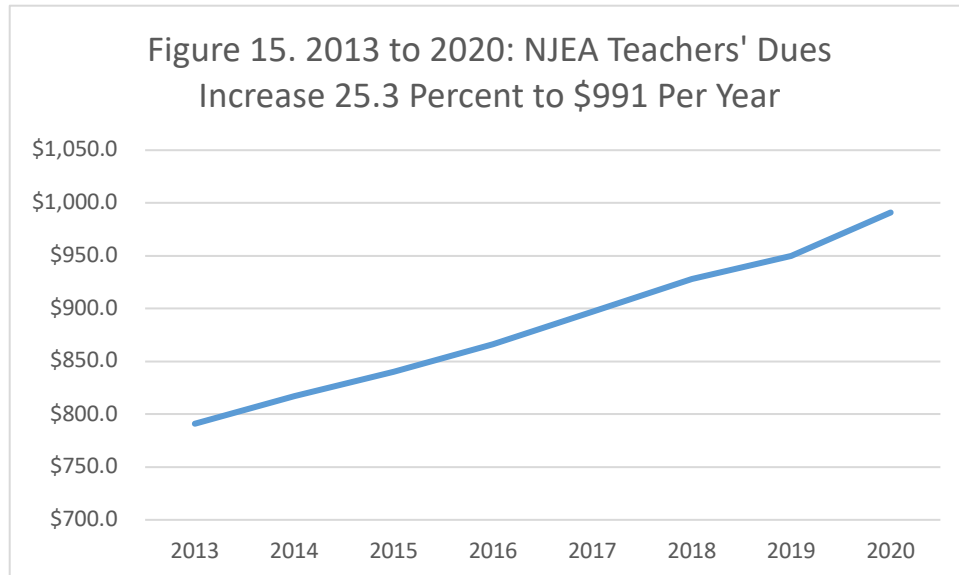
Source: NJEA IRS Form 990, 2013-2018.

These top-ten executives are largely political operatives: from 2008 to 2017, the NJEA’s elected officers were consistently in the top ten but only accounted for an average of 19 percent of the total compensation. In other words, **over 80 percent of top-ten compensation went to the NJEA’s executive staff**, which is largely made up of political operators.⁴²

Conclusion: New Jersey Teachers Are Getting a Raw Deal

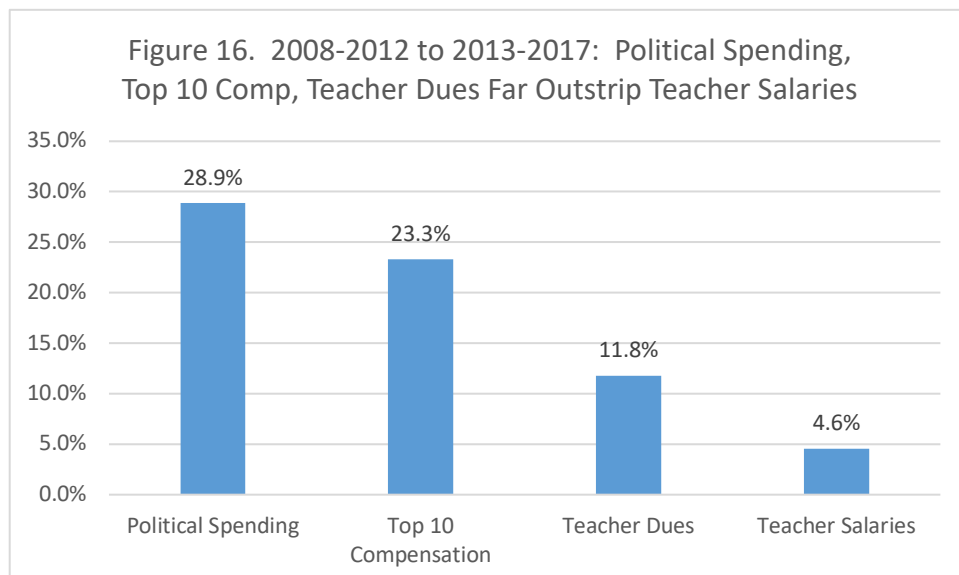
Who is paying for the NJEA’s outsized, even wasteful political spending and lavish executive compensation packages? Teachers, of course.

As shown Figure 15, since the NJEA’s reorganization in 2013 and coincident with the large increases in political spending and executive pay, the NJEA had increased full-time teachers’ dues by 25.3 percent to \$991 per year.



Source: *NJEA Review* 2013-2019, and U.S. Bureau of Labor Statistics.

The fact is that teachers are bearing the brunt of the costs for the NJEA’s spending increases but are not being compensated at a commensurate rate. On account of their ever-increasing dues, their take-home pay is going down. Figure 16 compares the growth rates for political spending, top-ten executive compensation, dues and teachers’ salaries for the five-year periods before (2008-2012) and after 2013 (2013-2017). **Political spending and top-ten compensation grow the most: 5-to-6 times the growth in teacher salaries. In order pay for these hefty increases, teachers’ dues rise at over two-and-a-half times the rate of teachers’ salaries.**



Sources: *NJEA Review* 2008-2017, IRS Forms 990 2008-2017, SPCNJ, NCES.

New Jersey’s teachers are getting a raw deal. They have little choice but to join the NJEA and have their dues withheld from their paychecks. They see their dues burden rise year after year, eating up more and more of their salaries. Yet these dues are not going to fund their local

associations: 85 percent is going to the NJEA and the NEA. And for what? Outsized and even wasteful political spending that has little to do with the issues they care about at the local level. And for the lavishly compensated political organizers who direct this political spending and who are responsible for the thorough politicization of the NJEA.

New Jersey's teachers deserve better. They should demand better.

ENDNOTES

¹ Teachers are used as a proxy for all NJEA members, including Education Support Professionals (ESP). Teachers' dues make up the vast majority of the NJEA's overall dues revenues.

² Unless otherwise noted, all NJEA financial data is drawn from the NJEA's Financial Statements as published annually in the *NJEA Review*, 1994-2018. "Dues" refers to all dues-related payments, including regular dues, PRIDE dues, NEA grants and agency fees. PRIDE is the Pride in Public Education campaign initiated in 1994. It is funded by separate PRIDE dues and is essentially an NJEA-directed, school-district-level political organizing and statewide public relations campaign. For a full discussion of PRIDE, see SPCNJ's "[Follow the Money: What the NJEA Really Spends on Politics](#)." NEA grants are included because they are funded by the dues that NJEA members must pay annually to the NJEA's parent organization, the NEA. These NEA dues greatly exceed what the NJEA gets back from the NEA in grants, so the NEA grants are in fact financed by members' own dues. From 2009-2018, NJEA members sent approximately \$175 million in dues to the NEA and the NJEA received back \$65 million in NEA grants.

³ NJ inflation was 173 percent from 1994 to 2018. All inflation data from U.S. Bureau of Labor Statistics, "CPI for All Urban Consumers, New York-Newark-Jersey City," *bls.gov*, accessed March 26, 2020, <http://data.bls.gov/pdq/SurveyOutputServlet>. Hereinafter, BLS.

⁴ For a fuller discussion of the NJEA's securing its taxpayer funding via legislation, see SPCNJ's "[NJEA: The Taxpayer-Funded Special Interest](#)."

⁵ **North Hanover Township School District,**

https://www.nhanover.com/departments/employee_resources/payroll_information;

Willingboro Education Association, <https://www.willingboro.org/payroll-new-codes-for-paychecks/>;

Pemberton School District,

<https://www.pemberton.k12.nj.us/cms/lib/NJ01912870/Centricity/Domain/54/Payroll%20Legend.pdf>;

Educational Services Commission of New Jersey,

<https://www.escnj.us/cms/lib/NJ02211024/Centricity/Domain/363/ListOfPayrollDeductions.pdf>;

Lumberton Township Board of Education,

https://www.lumberton.k12.nj.us/download/staff/payroll_and_benefits/Payroll%20Check%20Stub%20Key.pdf;

Parsippany-Troy Hills School District,

https://www.pthsd.k12.nj.us/UserFiles/Servers/Server_27012/File/District/HR/payroll/Check%20Description.pdf;

Matawan-Aberdeen Regional School District,

<https://www.escnj.us/cms/lib/NJ02211024/Centricity/Domain/363/ListOfPayrollDeductions.pdf>.

⁶ Jeffrey Keefe, "Laws enabling public-sector collective bargaining have not led to excessive public-sector pay," Economic Policy Institute, Briefing Paper #409, October 16, 2015, <https://www.epi.org/publication/laws-enabling-public-sector-collective-bargaining-have-not-led-to-excessive-public-sector-pay/>.

⁷ For a fuller discussion of the WDEA, see SPCNJ's "[NJEA: The Taxpayer-Funded Special Interest](#)."

⁸ David A. Lieb., "Public unions see only modest decline after court ruling," Associated Press, July 12, 2019,

<https://apnews.com/b7d0ab46b3b94d2a8baa13dcde8a7651>.

⁹ Upon the enactment of the WDEA, the NJEA made no press release or public statement in a New Jersey publication. After an extensive search, the only public comment found was in an article in the national publication *Education Week*: "Honestly, I see [this law as] helping public employees in New Jersey," said Steven Baker, a spokesman for the New Jersey Education Association. "I think that's the important outcome of this: preserving the ability of the union to communicate with members, preserving the ability of the union to advocate for members." Madeline Will, "To Stem Likely Losses, Teachers' Unions Play Offense," *Education Week*, June 14, 2018, <https://www.edweek.org/ew/articles/2018/06/14/to-stem-likely-membership-losses-teachers-unions.html>. Even in its own publication for its members, the coverage was unusually muted. See June 2018 *NJEA Review*.

¹⁰ In states such as Minnesota, New York and North Dakota, the state-level teachers' unions are affiliates of both the NEA and American Federation of Teachers (AFT).

¹¹ Education Intelligence Agency, "Dues Level for Every NEA State Affiliate," *eiaonline.com*, accessed March 31, 2020, <https://www.eiaonline.com/intercepts/2018/04/04/dues-level-for-every-nea-state-affiliate/>

¹² Paterson Education Association, “P.E.A. Dues Presentation,” *paterson.org*, January 30, 2020, <https://www.paterson.org/wp-content/uploads/sites/30/2020/01/P.E.A-Treasury>.

¹³ Reiss Baker, “Allocation of Teacher Dues by State,” California Policy Center, June 25, 2019, <https://californiapolicycenter.org/allocation-of-teacher-union-dues-by-state/>.

¹⁴ New Jersey percentage data based on six school districts within the last five years (for citations see New Jersey Teachers’ Dues Report, 8-9). Illinois (IEA) data from Mailee Smith, “Illinois’ Teachers Pay for Representation, but Union Priorities Rarely Focus on Members,” *IllinoisPolicy.org*, accessed January 29, 2021, <https://www.illinoispolicy.org/reports/illinois-teachers-pay-for-representation-but-union-priorities-rarely-focus-on-members/>. Rhode Island data from Rhode Island Center for Freedom and Prosperity, “RI Teachers See about 80% of their Dues Spent on Non-Local Salaries and Issues,” *rifreedom.org*, November 16, 2018, <https://rifreedom.org/2018/11/ma-report-teacher-union-dues/>. Massachusetts data from Rebekah Paxton, “Where Do Teacher Union Dues Go?” Pioneer Institute, November 2018, <https://pioneerinstitute.org/better-government/study-finds-vast-majority-teacher-union-dues-fund-state-national-affiliates/>.

¹⁵ **Clearview Regional EA (2015-16):**

<https://www.courtlistener.com/recap/gov.uscourts.njd.377949/gov.uscourts.njd.377949.1.0.pdf>;

New Brunswick EA (2016-2017): <http://www.newbrunswickea.com/p/dues.html>;

East Brunswick EA (2019-2020): <https://www.my-ebea.org/forms/membership-dues/>;

Trenton EA (2017-2018): <https://trentonea.org/membership/>;

South Brunswick EA (2019-2020): <https://www.sbcares.org/members/membership-dues/>;

Paterson EA (2019-2020): <https://www.paterson.org/wp-content/uploads/sites/30/2020/01/P.E.A-Treasury>.

¹⁶ Reiss Baker, “Allocation of Teacher Dues by State,” California Policy Center, June 25, 2019, <https://californiapolicycenter.org/allocation-of-teacher-union-dues-by-state/>.

¹⁷ **Clearview Regional EA (2015-16):**

<https://www.courtlistener.com/recap/gov.uscourts.njd.377949/gov.uscourts.njd.377949.1.0.pdf>;

New Brunswick EA (2016-2017): <http://www.newbrunswickea.com/p/dues.html>;

East Brunswick EA (2019-2020): <https://www.my-ebea.org/forms/membership-dues/>;

Trenton EA (2017-2018): <https://trentonea.org/membership/>;

South Brunswick EA (2019-2020): <https://www.sbcares.org/members/membership-dues/>;

Paterson EA (2019-2020): <https://www.paterson.org/wp-content/uploads/sites/30/2020/01/P.E.A-Treasury>.

¹⁸ **New Brunswick EA:** <http://www.newbrunswickea.com/p/dues.html>.

¹⁹ Average New Jersey elementary and secondary teacher salaries from National Center for Education Statistics, “Digest of Education Statistics,” *nces.ed.gov*, accessed March 25, 2020, <https://nces.ed.gov/programs/digest/>.

²⁰ **East Brunswick EA (2019-2020):** <https://www.my-ebea.org/forms/membership-dues/>;

South Brunswick EA (2019-2020): <https://www.sbcares.org/members/membership-dues/>;

Paterson EA (2019-2020): <https://www.paterson.org/wp-content/uploads/sites/30/2020/01/P.E.A-Treasury>.

²¹ Salary.com, “Public School Teacher Salary in New Jersey,” *salary.com*, accessed May 1, 2020, <https://www.salary.com/research/salary/benchmark/public-school-teacher-salary/nj>.

²² New Jersey Education Association, “NJEA, Sweeney announce landmark agreement on Ch. 78 relief, ESP job justice,” *NJEA Review* 93, vol. 9 (April, 2020): 14.

²³ New Jersey Education Association, “Support NJEA PAC’s 2018 endorsed candidates,” accessed February 20, 2019 at www.njea.org/support-njea-pacs-2018-endorsed-candidates/.

²⁴ New Jersey Education Association, “About,” “Mission,” <https://www.njea.org/about/mission/>. As for the red shirts, see New Jersey Education Association, “We Wear #RedforEd Because...,” *NJEA Review* 92, no. 10 (May 2019): 58.

²⁵ Political spending includes expenditures for UniServ (including Executive Office Development after 2013), Communications Division, Government Relations Division, PRIDE spending and Garden State Forward. All of these expenditures are funded by member dues. For a full discussion, see SPCNJ’s report “[Follow the Money: What the NJEA Really Spends on Politics.](#)”

²⁶ UniServ, short for “Unified Services,” is the cadre of trained field representatives who serve as the vital link between the NJEA and its hundreds of county and local affiliates. UniServ’s most important role is as political organizers who advise local associations on collective bargaining and other activities, and mobilize the legions of

members who serve as the muscle behind the NJEA's political operations. For a full discussion, see SPCNJ's report "[Follow the Money: What the NJEA Really Spends on Politics.](#)"

²⁷ See, New Jersey Education Association, "NJEA Staff," NJEA Review 86, no. 1 (September 2012): 6; and New Jersey Education Association, "NJEA Staff," NJEA Review 87, no. 1 (September 2013): 6. Current configuration at New Jersey Education Association, "NJEA Staff," NJEA Review 93, no. 9 (April 2020): 6.

²⁸ NJEA Executive Director, Steven Swetsky, was UniServ assistant director for the South Region. See, New Jersey Education Association, "NJEA Staff," NJEA Review 86, no. 1 (September 2012): 6. NJEA associate director Gary Melton's professional experience includes "community organizing around education, social justice and political issues." New Jersey Education Association, "Staff News," NJEA Review 91, no. 7 (February 2018): 47.

²⁹ Human Resources manager Matthew Di Rado helped run the independent expenditure campaign against Senate President Steve Sweeney in 2017. New Jersey Education Association, "NJEA Delegate Assembly, Minutes of November 11, 2017," NJEA Review 91, no. 8 (March 2018): 52.

³⁰ Katie Quinn, "NJEA Summer Fellows Program Boosts Member-Driven Advocacy," NJEA Review 90, no. 3 (November 2016): 24-26, <https://www.njea.org/njea-summer-fellows-program-boosts-member-driven-advocacy/>.

³¹ The Advocate, "Interested in Running for Office?," New Jersey Education Association, March 1, 2017, <https://www.njea.org/interested-in-running-for-office/>.

³² For a fuller discussion of the NJEA's network of allies, see SPCNJ's "[A Spider Web of Political Power and Influence.](#)"

³³ Patrick Rumaker, "Empowering Members: Meet Steve Swetsky: NJEA's New Executive Director," NJEA Review 93, vol. 6 (December 2019): 33.

³⁴ Political spending fluctuates significantly from year to year, particularly since New Jersey's state elections are held on odd-numbered years and federal elections are held on even-numbered years. Thus, multi-year averages provide a clearer picture of the pre- to post-2013 increase in spending.

³⁵ Political spending reported to ELEC includes state-level lobbying, independent expenditures and direct contributions to candidates. A great deal of NJEA political spending goes unreported to ELEC. For a full discussion, see SPCNJ's report "[NJEA: New Jersey's Political Machine.](#)"

³⁶ Data from New Jersey Election Law Enforcement Commission.

³⁷ New Jersey Election Law Enforcement Commission, "News Release, Monumental Spending in 2017 Legislative Elections," press release, www.elec.state.nj.us, May 7, 2020.

³⁸ New Jersey Election Law Enforcement Commission, "Legislative Election 2017: The Mother of All NJ Legislative Races," White Paper No. 28, www.elect.state.nj.gov, May 2020, p. 24. Hereinafter, "White Paper No. 28."

³⁹ White Paper No. 28, p. 2.

⁴⁰ Only the NJEA Political Action Committee has its own dedicated funding. All other political spending is funded from member dues.

⁴¹ During the ten-year period from 2008 to 2017, executive compensation fluctuated significantly from year to year, so average compensation for the five-year periods provides a clearer picture of the pre- to post-2013 increases. NJEA IRS Forms 990, 2013-2017.

⁴² Ibid.