

March 12, 1998

Dear Teacher:

Merger mania has come to the education profession. The planned marriage between the National Education Association (NEA) and the American Federation of Teachers (AFT) will significantly impact teachers. Will it benefit you? Or just the union brass?

The Alexis de Tocqueville Institution is a public policy research group that has closely examined how well the teachers' unions serve their members.

We believe that the merger will exacerbate two disturbing uses of teachers' dues money: excessive executive compensation among union officials and the proliferation of highly-paid union staff.

As a former U.S. Senator who spent considerable time working on education issues, I want to offer two fundamental concerns about the pending merger.

1. ***The lack of competition between teachers' unions will not be in the best interests of teachers***

While there are today two national teacher unions that compete for the privilege of representing teachers in the United States, in European countries there are usually between four and five unions that do so. The United States will be unique among industrialized countries in that teachers will be restricted to a choice of one, i.e., there will be a union monopoly.

Wherever we have seen monopolies -- be it from telephones to utilities -- we have seen inefficiencies. As both a customer and stockholder of the teachers' unions, you should be concerned that there are many extravagant expenses which seem to reflect a lack of respect for teachers' dues money. In all likelihood this would become worse following a merger. Examples follow.

The compensation of the top brass of America's teacher unions is quite high. For example, Bob Chase, President of the National Education Association, received total compensation (salaries, allowances, and expenses) in the past year of \$301,302. This exceeded the compensation of Teamsters' leader Ron Carey by more than \$139,000.

Both unions have sizable staffs in Washington, D.C., which are paid much more than teachers across the country. The NEA employs 585 people with an average salary of \$68,550; the AFT has a staff of 266 and an average salary of \$64,944. According to noted teacher union scholar Dr. Myron Lieberman,



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1611 North Kent Street
Suite 901
Arlington, VA 22209

703.351.4969 Tel
703.351.0090 Fax

benefits and perks may result in additional compensation of 40%. This would make the average compensation of a Washington-based union official more than \$90,000.

Despite this largess, there are no plans to reduce either union's sizable staff following the merger. Thus, teachers have no reason to expect a more cost-effective or efficient union. As with other monopolies, administration, bureaucracy and perks will be heavy.

Bob Chase, for example has had the opportunity to travel for the NEA to several foreign countries, including Israel, Ireland, France, Scotland, The Czech Republic, Mexico and Japan. And last September he had the opportunity to visit the Palm Springs Riviera Resort & Racquet Club, a facility that was entirely rented out to teacher union representatives for a weekend.

2. *The new union will be more concerned with politics than classrooms*

At its core, this merger appears to be an attempt to consolidate and perpetuate the teachers' unions' political power rather than serve teachers better.

By some estimates, up to half of all teachers' union dues in California do not go towards core activities, i.e., collective bargaining and contract administration. In San Diego, recently, a settlement resulted in a refund of \$200 per teacher per year to those who wanted to secure a rebate of their dues spent on politics and other non-bargaining activities.

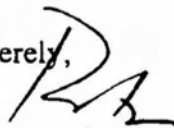
Indeed, the two unions' diversion to politics from the bargaining table has had a negative impact on teachers. From 1959 to 1995, there was a 312 percent increase, after inflation, in per pupil education spending in the U.S. Yet, teacher pay has only increased 43 percent, after inflation, during this time. Thus teachers' raises have been much less than the "system" has received.

The Alexis de Tocqueville Institution has prepared extensive information about the teachers' unions that I believe you will find of interest. And we will continue to closely scrutinize the merger going forward.

I invite you to request copies of studies and articles about the teachers' unions, free of charge. We will also be glad to update you, on a monthly basis, with this information. All responses will be held in the strictest confidence by the Tocqueville Institution.

If you would like additional information just complete the enclosed sheet and return it in the envelope. No postage is necessary. I thank you for your time and consideration.

Sincerely,



Senator Robert Kasten