

# **PAYCHECK PROTECTION**

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Thank you Chairman Metcalfe and members of the committee for the opportunity to testify on the policy question of whether or not Pennsylvania should continue to allow one special interest group to use taxpayer resources for political purposes.

Today, government unions—and only government unions—are able to use taxpayer-funded payroll services to automatically deduct union dues and campaign contributions from employees' paychecks. These monies—collected at taxpayers' expense by school districts, municipalities, counties, and state government—are sent to private organizations and then used for partisan and political purposes.

No other private or political organization enjoys this legal and financial benefit. It is time Pennsylvania closed this loophole by enacting Paycheck Protection.

There are at least two reasons why you should stop allowing unions to use taxpayer resources to collect their political money: Fairness to taxpayers and Accountability for public employees.

Paycheck Protection is about fairness. Government should provide equal opportunity for all and favor for none. Today, Pennsylvania gives favor to one. Only the government unions enjoy the exclusive legal and financial privilege of having the taxpayers pay for the collection of union dues and campaign contributions. This is not fair. And Paycheck Protection simply requires government unions to play by the same rules as everyone else and collect their own political money. This, is fair.

Paycheck Protection is also about accountability. When unions have to collect their dues and campaign contributions directly from members, teachers and other public employees are empowered to hold their union leaders accountable for how they spend their money. When unions are able to use government resources to automatically withhold dues and campaign contributions, union members are denied the opportunity to use their "power of the purse" to hold their union leaders accountable for how they spend that money.

Unions will still enjoy the legal benefit of forcing employees to pay hundreds of dollars in dues or fees just to keep their jobs. That's a different issue. But Paycheck Protection will at least require these unions to look their members in the face rather than raiding their paychecks before they even receive them.

Now, contrary to what union leaders claim, Paycheck Protection does nothing to prevent unions from participating in politics or collecting dues and campaign contributions or anything else unions can legally do today. They would simply have to collect their political money the old

fashioned way—like every other private organization must—and without using taxpayer resources.

I think we can all agree that nobody should be forced to pay for other people's politics. That's why this is illegal to use public resources for political purposes. It is also why legislators and legislative aides sit in prison today. Yet we continue to allow government unions—and only government unions—to use tax dollars to help pay for their politics. This is wrong.

In an attempt to maintain this special loophole in the law, union leaders will argue that dues money is not used for politics, and that the collection of these monies by taxpayers is insignificant.

The facts are that union dues *can* and *are* being used for politics. And not only is there a *cost* to taxpayers but a real *value* given to the unions at the taxpayers' expense. Let me give you some examples.

- By the government unions' own admission, dues are indeed spent on politics. Every year, unions are required by law to tell members how much of their dues go to politics. For example, in June 2013, the PSEA informed members that the union estimated it will spend 12% of dues on politics and lobbying over the school year. This represents more than \$7 million in dues money, significantly higher than the \$3.8 million they reported spending on political activity and lobbying the previous year.
- Government unions spend dues money on a variety of political activities, including get-out-the-vote drives, election mailers in support of candidates, lobbying of legislators, TV and radio ads, and even fundraising for political action committees (PACs).
- Pennsylvania's five largest state government unions—PSEA, AFSCME Council 13, SEIU, UFCW 1776, and the PFT—reported to the U.S. Department of Labor that they spent more than \$5.5 million in dues on lobbying and political activity in 2013.
- The PSEA sent mailers to Pennsylvania voters endorsing Barack Obama, newsletters mocking Governor Corbett to raise money for its PAC, and even spent Pennsylvania teachers' dues to support the recall efforts of Wisconsin Governor Scott Walker.
- The NEA and SEIU used membership dues to lobby and advocate for ObamaCare.
- UFCW 1776 spent nearly \$1 million in dues money on TV ads last year opposing liquor privatization.

Interestingly, UFCW President Wendell Young reported these ads to the federal government—along with other payments to lobbyists—as “representational activities,” rather than “political activities and lobbying spending”—a clear violation of the law.

No matter where you stand on these issues, there is no doubt that union dues money is being spent on politics—money collected using taxpayer resources. Yet while millions in dues dollars

is already spent on politics in Pennsylvania, this amount is only going to increase in the months and years to come.

Under a March 2014 federal court ruling, union dues can now be given to SuperPACs to pay for “independent expenditures” on behalf of or against candidates for office. Previously, Pennsylvania law prohibited the spending of union dues through political action committees for strictly electoral purposes. Now they can and will be deployed for purely partisan efforts. The reality is that if we don’t pass Paycheck Protection immediately, the taxpayers will be forced to continue collecting these purely political monies.

The unions’ other argument in defense of using taxpayer resources for political purposes is that the cost is negligible.

But not according to the Blair County Commissioners. They calculated that one payroll employee devotes a full day’s work every two weeks to calculate union dues deductions. This equates to 24 work days per year—full month of work—costing taxpayers thousands of dollars.

Yet even if the *cost* were de minimis, there is clearly a huge *value* to the unions that is provided to no other private organization. And if there’s truly no cost to this, then why can’t the unions collect their own political money at little to no cost? But even if the cost to the taxpayers was zero—which it isn’t—it is still improper for taxpayer resources to be used for political purposes. Indeed, that reason alone is reason to close this legal and financial loophole.

This is also why the public agrees that Pennsylvania state and local government should stop collecting union dues and campaign contributions. Poll after poll shows over 70 percent of voters would end this practice. Even union members agree that public resources should not be used for politics. In a survey conducted earlier this year, 67 percent of union households believe the collection of dues by the government is NOT a proper use of state resources.

For the overwhelming majority of Pennsylvanians, Paycheck Protection is not a partisan or ideological issue. It is about fairness. It is about accountability. It’s about not forcing taxpayers to pay for union politics. It is about empowering teachers and public employees with the ability to hold their unions’ accountable. It’s about leveling the playing field so that everyone—including the government unions—plays by the same rules. It is about state government doing something that is right and good for taxpayers and public employees alike.

Thank you for considering my testimony. I urge this committee to move this bill to the floor of the House. I’m happy to answer any questions.