

June 5, 2014

Pennsylvania House of Representatives, State Government Committee

Submitted testimony on behalf of:

**AFSCME Council 13
PA AFL-CIO
PA AFT
PSEA
SEIU State Council
UFCW 1776**

Chairman Metcalfe, Chairman Cohen, members of the House State Government Committee. Please accept the following testimony on behalf of the collective organizations listed above. United, our organizations represent more than one million hardworking Pennsylvanians. We represent nurses, teachers, store clerks, firefighters, case workers, mill workers, steel workers, construction trades and many other hardworking public servants.

Our goals may vary slightly depending on our specific memberships, but our mission is the same – protect the rights of workers by ensuring that every worker in Pennsylvania earns a fair wage for an honest day’s work, good benefits, a dignified retirement, and a safe work environment.

House Bill (HB) 1507 would deny public employees the ability to negotiate payroll deductions for the collection of union membership dues and voluntary contributions to political action committees.

Supporters of this legislation often rely upon several false premises when discussing this bill; we would like to take this opportunity to address them.

Proponents of the legislation claim that electronic payroll deductions are forced on the employer and employee. This is untrue. These automated deductions are bargained between the employer and the union. If payroll deductions for dues or political action committee contributions are included in a collective bargaining agreement it means a majority of the membership has agreed to the provision at the time of the contract ratification. HB 1507 seeks to make the electronic deduction of dues and voluntary contributions to political action committees non-negotiable, meanwhile all other non-profit and for-profit organizations would still be allowed to use the very same practice.

Workers are not forced to join a union, ever. Unions are required by law to represent each member of the bargaining unit fairly and without discrimination, the Fair Share Law allows for non-members to confine required union fees to the actual costs of bargaining and representation. Fee payers are charged only a percentage of union membership dues and chargeable expenditures are limited to activities such as negotiating and enforcing a contract, legal representation for grievances, and governance activities. Expenditures related to lobbying, political activities, and ideological activities are not chargeable to fee payers.

Pennsylvania's current Fair Share Fee Law provides for procedural due process. The law permits individuals to raise objections to the payment of fair share fees and the amount that they are charged. Objections to these fees are handled by an independent arbitrator and the union has the burden of proving that the fee calculation was accurate. The union in question must bear all of the costs relative to the arbitration. If fair share fees are challenged based on bona fide religious grounds and the union in question accepts the verification, the nonmember shall pay the equivalent of the fair share fee to a charity that is agreed to by both parties.

Contributions to political action committees (PACs) are entirely separate from membership dues. These funds are held in a separate account and are contributed voluntarily by individuals who choose to participate in the union's political action committee. Unlike membership dues, PAC dollars can be used to directly support a political candidate or candidate's committee. At no time can union member's dues be given directly to a candidate for elected office. Labor unions must keep strict records and report expenditures of both dues and PAC dollars to the federal and state government.

Claims that these electronic deductions cost taxpayers money is an assumption that is made without merit or supporting evidence. The Commonwealth of Pennsylvania has been charged with billing AFSCME Council 13 for any costs for PAC deductions since 1988. To date the Commonwealth has never issued a bill to the union for this service. If these deductions truly placed a substantial financial burden on the taxpayer we highly doubt that AFSCME would not have been billed for more than 25 years.

Furthermore, corporations, such as those that provide healthcare benefits or financial services to commonwealth and school district employees, also have governmental affairs departments and lobbyists. These corporations benefit from public employers collecting their insurance premiums, deferred compensation contributions, etc. If there were a significant cost associated with these deductions then why doesn't the legislation include corporations doing business with the commonwealth such as insurance companies and financial institutions? The reason is that public payroll services are highly automated and are already equipped to facilitate hundreds of deductions from employee paychecks such as taxes, healthcare benefits, and charitable contributions with little or no cost.

Clearly this legislation unfairly singles out teachers, nurses, and public safety workers. This bill is not about protecting paychecks or worker rights, but is simply the latest attack on collective bargaining. The deduction of union dues, political contributions, and fair share fees is a collective bargaining issue that has been and should continue to be determined between an employer and employees.

In a society where corporations and the 1% all too often possess the power to influence and dictate policy, unions provide workers a collective voice to counter the often-unanswered claims. House Bill 1507 is wrong for workers, and wrong for Pennsylvania. For the reasons stated above the undersigned and their respective organizations OPPOSE this legislation.

Thank you.