COMMONWEALTH OF PENNSYLVANIA HOUSE OF REPRESENTATIVES

LABOR AND INDUSTRY COMMITTEE
PUBLIC HEARING

STATE CAPITOL HARRISBURG, PA

IRVIS OFFICE BUILDING ROOM G-50

WEDNESDAY, SEPTEMBER 5, 2018 1:31 P.M.

PRESENTATION ON
HOUSE BILL 2571, LEGISLATION PROTECTING THE RIGHT OF
NONMEMBERS TO FORGO CONTRIBUTING TO A UNION,
JANUS DECISION COMPLIANCE

BEFORE:

HONORABLE ROB KAUFFMAN, MAJORITY CHAIRMAN

HONORABLE SHERYL DELOZIER

HONORABLE CRIS DUSH

HONORABLE SETH GROVE

HONORABLE DAWN KEEFER

HONORABLE FRED KELLER

HONORABLE KATE KLUNK

HONORABLE DAVID MALONEY

HONORABLE JACK RADER

HONORABLE JESSE TOPPER

HONORABLE JOHN GALLOWAY, DEMOCRATIC CHAIRMAN

HONORABLE MORGAN CEPHAS

HONORABLE MARIA DONATUCCI

HONORABLE LEANNE KRUEGER-BRANEKY

HONORABLE JEANNE MCNEILL

HONORABLE DAN MILLER

HONORABLE ED NEILSON

HONORABLE PAM SNYDER

* * * * *

Pennsylvania House of Representatives Commonwealth of Pennsylvania COMMITTEE STAFF PRESENT:

JOHN SCARPATO

MAJORITY EXECUTIVE DIRECTOR

SHANNON WALKER

MAJORITY RESEARCH ANALYST

ELANA MAYNARD

MAJORITY LEGISLATIVE ADMINISTRATIVE ASSISTANT II

HALEY SALERA

DEMOCRATIC EXECUTIVE DIRECTOR

EVAN FRANZESE

DEMOCRATIC RESEARCH ANALYST

I N D E X

TESTIFIERS

* * *

<u>PAGE</u>
REPRESENTATIVE KATE KLUNK PRIME SPONSOR OF HOUSE BILL 25714
DAVID OSBORNE, ESQ. THE FAIRNESS CENTER8
KEITH WILLIAMS AMERICANS FOR FAIR TREATMENT11
BETH ANNE MUMFORD AMERICANS FOR PROSPERITY14
STEVE CATANESE SEIU LOCAL 668
STUART KNADE PA SCHOOL BOARDS ASSOCIATION
JAMES VAUGHAN PA STATE EDUCATION ASSOCIATION
SUBMITTED WRITTEN TESTIMONY
* * *
(See submitted written testimony and handouts online)

PROCEEDINGS

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MAJORITY CHAIRMAN KAUFFMAN: All right. The time is 1:31, and I'm going to call this meeting of the House Labor and Industry Committee to order.

We had the Pledge this morning. That will serve as the Pledge for this afternoon's session as well. And I'd like to welcome all to this afternoon Committee meeting. Of course, the meeting is being recorded, as was this morning's, so please silence devices as you can to minimize interruptions.

And I'm going to ask the Secretary if she would please call the roll for this afternoon's meeting.

(Roll was taken.)

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Today, we will be discussing House Bill 2571, and this is a legislative proposal by Representative Klunk, which would bring Pennsylvania into compliance with the U.S. Supreme Court's ruling in Janus v. AFSCME.

MAJORITY CHAIRMAN KAUFFMAN: Thank you very much.

Representative Klunk is obviously a Member of this Committee, so first, before we begin with our first panel, I'd like to recognize Representative Klunk to make some brief remarks and give any background she would like

1 regarding her legislation. Representative Klunk?

2 REPRESENTATIVE KLUNK: Sure. Thank you,
3 Mr. Chairman, for the opportunity to discuss with you and

4 the Committee my legislation, House Bill 2571.

As you all know, the United States Supreme Court issued its decision in Janus v. AFSCME that government employees who have opted out of their unions should not be forced to pay union agency fees or fair-share fees. And this ruling does not apply to private-sector unions and employees.

Janus is certainly a very important First

Amendment victory for all government employees throughout
the Commonwealth. This ruling helps to ensure that these
vital employees have a choice to support unions that may
not hold their own personal political beliefs.

Specifically, the Supreme Court ruled that taking money
from workers who did not affirmatively consent to fund this
political activity violates their constitutional rights.

Unions spend big money on political activity, and these fair-share employees contribute quite a bit to this activity. And now, political activity isn't just campaigns. Janus did hold that it's union activity, including wage, pension, benefit, anything that is part of those contract negotiations.

One hundred and fourteen million dollars has been

spent by public-sector unions on politics over the last 10 years. These are the very unions who have opposed reforms of our woefully underfunded pension system. These are the very same unions who have worked to block popular changes to our State-owned liquor stores. And these are the very same unions who have stood in the way of job-promoting regulatory changes often over the objection of government workers themselves.

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Twenty-eight thousand Pennsylvanians who are workers here in the State pay fair-share fees. Fair share costs these employees a collective \$9.7 million just in one year. And that equals just shy of \$350 per worker per year.

My legislation, House Bill 2571, simply ensures that the law of the land is enforced here in Pennsylvania and that these government employees are made aware of their rights. Ultimately, House Bill 2571 is a consumer-worker protection issue.

House Bill 2571 would further protect the rights of individuals in a collective bargaining unit who are not members of the representative union, also known as those fair-share payers. Specifically, the legislation proposes the following four changes to Act 195:

First, it directs public-sector unions to inform nonunion members of the *Janus* decision, and that these

once-required fair-share fees to the union are now purely voluntary. These workers will also be informed that their employment status will not be affected if they do or do not decide to contribute on their own accord to the union.

Second, the bill requires a public employer to notify job applicants that being a member of the representative union is not a condition of employment, and that, as a nonmember, they have no obligation to make any payments to the representative union.

Third, the bill prohibits public employers from making any payroll deductions from wages of nonmembers and requires employees to make voluntary payments directly to that representative union. And this helps to ensure that those payments are purely voluntarily and consented to by the employee.

Finally, the bill repeals two Pennsylvania laws that authorized the payment of these fair-share fees by nonmembers, Act 84 of 1988 and Act 15 of 1993. This will help to ensure that Pennsylvania law complies with the Janus decision and takes these unconstitutional laws off the books.

House Bill 2571 represents a huge opportunity for us to expand worker freedom here in Pennsylvania, to protect our workers and their rights, and to foster fairness in our political system. Again, this is

1 ultimately a consumer-worker rights protection bill.

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Mr. Chairman, I thank you and the Committee for their time, and I look forward to hearing from our testifiers.

MAJORITY CHAIRMAN KAUFFMAN: Thank you, Representative Klunk.

Now, we are going to move into the first panel discussion. For that first panel, we have David Osborne, an attorney with the Fairness Center, Keith Williams with Americans for Fair Treatment, and Beth Anne Mumford of Americans for Prosperity.

I just want to remind our panelists if you could summarize your testimony and keep it to about five minutes, and our research analyst Shannon Walker on the end of your table will give you the signal. So that is your signal, and you may begin, and then we'll open up to questions after you're done.

David, if you want to begin.

MR. OSBORNE: Sure. Good afternoon. Thanks to Chairmen Kauffman and Galloway, Representative Klunk, and to the rest of the House Labor and Industry Committee for your attention to this issue.

My name is David Osborne. I'm President and General Counsel of the Fairness Center, a public-interest law firm that protects those who are hurt by public-sector

union officials. The Fairness Center represents various public-sector employees, some of whom are members, some of whom are nonmembers who would be impacted by this or other bills that have been introduced. I am here to represent those clients today.

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On June 27th, the United States Supreme Court decided a case called Janus v. AFSCME, Council 31, involving a public employee from Illinois named Mark Janus. Mark Janus claimed that Illinois law unconstitutionally permitted his Illinois union to extract agency or fairshare fees as a condition of public employment. He argued that it was a violation of his First Amendment rights to be forced to subsidize the political speech of a private organization, particularly when he disagreed with that private organization.

The Supreme Court in Janus decided in Mr. Janus' favor, holding that agency fees authorized by Illinois law violated the First Amendment. As Justice Samuel Alito wrote in the majority opinion, "The idea of public-sector unionization and agency fees would astound those who framed and ratified the Bill of Rights."

In reaching this conclusion, the Supreme Court overturned its own precedent dating back to 1977 under which it tried to draw a distinction between union political activities and core representation activities.

Over the decades, that distinction proved arbitrary and unworkable for one simple reason: everything public-sector unions do is political.

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The Supreme Court also addressed a question that Mark Janus did not actually ask: whether unions could nevertheless charge agency fees with nonmember employees' affirmative consent. And the answer to that question, according to the Supreme Court, is yes. Provided the union secures a truly voluntary waiver of an employee's right not to pay agency fees or some other payment, it can continue to deduct those fees or payments going forward.

I advocate on behalf of my clients for three basic changes to Pennsylvania law in light of the Supreme Court's decision in Janus:

First, it is essential that Pennsylvania bring itself into alignment with Janus by repealing its fairshare fee laws. Pennsylvania's public-sector employees should have the right to stop paying their unions and can justifiably expect that their unions will honor that right, but it is not automatic. Eight of the Fairness Center's clients have pending cases that were affected by Janus, but the courts have yet to rule on how Janus impacts

Pennsylvania law. Janus addressed the issue generally and Illinois law specifically, but Pennsylvania's fair-share fee laws are still on the books. That is not just a

technical point. Our fair-share fee laws may be used against public employees unless the General Assembly repeals those laws. House Bill 2571 does that.

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Second, the General Assembly should proactively oversee the unions' efforts to secure nonmember fees going forward. Again, Janus ruled that extraction of agency fees as a condition of employment is unconstitutional, but it does allow public-sector unions to take fees from nonmembers, as long as they give affirmative voluntary consent. For the moment, the process of obtaining such consent is completely unregulated. That raises a number of questions. For example, what form can a request for consent take? And at what times can such requests be made? The bill under consideration today at least begins to address these issues by ending payroll deductions and requiring a notice to nonmembers and new hires of their rights under Janus.

Thirdly and finally, the General Assembly should repeal its maintenance-of-membership law. Pennsylvania's maintenance-of-membership law purports to keep public employees from exercising their right by limiting their opportunity to leave a union and limit that to a 14-day period prior to the expiration of a collective bargaining agreement, which may span several years. The bill under consideration today does not address maintenance of

membership, but I believe other bills will.

For those on the Committee who did not celebrate Janus, I think these measures are still worthy of your support. Pennsylvania has an opportunity to implement Janus in a way that will serve and preserve the rights of public employees at every level of government.

For those who celebrated the Janus ruling, I just want to emphasize on behalf of my clients that implementing that ruling here in Pennsylvania is not automatic. Public employees are counting on their legislators.

Thank you. I'd be happy to address any questions you may have.

MAJORITY CHAIRMAN KAUFFMAN: And Keith, you may go next. We'll do questions at the end of the panel.

MR. WILLIAMS: All right. So thank you, Chairmen Kauffman and Galloway, Representative Klunk, and to the rest of the House Labor and Industry Committee for the opportunity to testify today on behalf of H.B. 2571.

My name is Keith Williams, and I am the Director of Outreach at Americans for Fair Treatment, an organization dedicated to public-sector employee advocacy.

For the past 21 years I've actually been a public-school teacher, so you heard from an attorney; I'm going to bring it down a little bit. Eighteen of these years were spent at New Oxford High School where I taught

several English classes, including a Middle-Statesaccredited course that took students to places like
Yellowstone, the Grand Tetons, Grand Canyon, Zion, Redwoods
National Park. I've sacrificially served both my school
and my community as a track and cross-country coach, and
through over a decade of volunteerism in search and rescue.

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In my new role as Pennsylvania Director at

Americans for Fair Treatment, I am a passionate advocate

for the rights of public-sector workers, particularly our

public-school teachers, and that's because I've been a

teacher, a coach, and a volunteer for the overwhelming

majority of my professional career.

When it comes to unions, I am here to testify as a public-sector employee for over two decades. Believe me when I tell you that I understand how union membership works at the ground level more than anyone else you'll hear here today.

In addition to my testimony, you'll also hear from organizations and unions that they support, perhaps there are even some individuals here today who owe their elected positions to public-sector unions. What you most certainly will not hear is testimony from a public-sector employee who thinks that being kept in the dark about his or her rights is a fantastic idea. And to that I would point to Representative Klunk's comment about H.B. 2571 and

why it's necessary. This really is a consumer-protection issue. People simply have the right to know what their rights are.

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It's necessary because I know from personal experience as a public-sector employee that unions cannot be trusted to hold themselves accountable. After a few years of short- and long-term substitute positions, I entered the classroom as a full-time teacher in August of 2000, and like any new teacher, I was assigned a mentor who offered guidance and support as I navigated those anxiety-ridden first few weeks of school. And I endured those absolutely delightful State-mandated induction meetings.

On that first school in-service day, my mentor pulled me aside, and she warned me that as a young man and a coach, I needed to be particularly concerned about protecting my job. The questions began. What if a student makes a false accusation? What if something happens at practice? The what-if questions continued as I was led to the PSEA registration table, where I was sold on the idea that I needed liability insurance. So, begrudgingly, I became a union member in that first year of teaching and a de facto donor to the Democratic Party under the promise of "protection."

I joined because I was led to believe that it's just part of becoming a teacher. I was never told

otherwise, and my mentor led me to believe that, as a professional, joining a labor union was just some reality of public-sector employment, that all teachers did it.

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Obviously, overtly forcing an employee to join a public-sector union as a condition of employment is both illegal and a gross overreach of a political lobbying group. Public-sector unions are clearly aware of this fact. However, the reality is that employees across the Commonwealth are led to believe that they must join a union as a condition of employment every single day.

In my experience, and that of most employees across the Commonwealth, the union paperwork is subtly included with our health insurance and other new-employee induction paperwork. Membership is assumed, and the option of not joining is never mentioned.

As little as four months ago, nonmembers were still forced to become agency feepayers, which many workers chose in an attempt to avoid supporting union political activity. Now, after the U.S. Supreme Court decision in Janus v. AFSCME, it is even more important that employees understand that they are no longer forced to pay a union in order to keep their jobs.

In my experience, unions are usually smart enough to fly under the radar and only verbally imply that membership is a requirement. Some unions, however, are not

so smart or so subtle. Some of these unions are willing to deceive employees through overt lies to gain members and in some cases will go so far as to state in writing that union membership is actually a condition of employment.

We are here today and this bill exists because public-sector unions and their political benefactors clearly understand that they can create and maintain a revenue stream by keeping employees in the dark about their options. House Bill 2571 protects public-sector employees, employers, and taxpayers from the deception and the manipulation that unions practice in securing their income stream.

That public-sector union representatives would show up today and have the temerity to openly oppose a bill that ensures that employees know their rights is an indictment of unions' true intentions. People have a right to know their options. H.B. 2571 helps to ensure that that happens.

Thank you for your time today and for the opportunity to speak on behalf of my fellow public-sector employees across the Commonwealth.

MS. MUMFORD: Thank you. Thank you, Members of the Committee, Chairman Kauffman, Chairman Galloway, Representative Klunk, for introducing this bill.

I'm Beth Anne Mumford. I'm State Director of

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Americans for Prosperity Pennsylvania. We're a grassroots organization that aims to recruit, educate, and mobilize citizens to fight for the ideals and values of a free society at the local, State, and Federal level. Our grassroots volunteers advocate for policies that break down barriers and enable people to work hard, provide for their families, and achieve the American dream. I appreciate the opportunity to participate here today and express my support for this legislation, H.B. 2571.

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An important part of our mission to break down barriers that stand in the way of people realizing their full potential is identifying and championing policies that expand worker freedom and protect employee rights.

Specifically, exactly what this bill does in aiming to protect the rights of employees in a collective bargaining unit who are not members of a representative union.

H.B. 2571 made possible directly by the Janus decision is an important step in the right direction toward worker freedom and the defense of employee rights. In States that have passed similar right-to-work-type legislation long before the Janus decision, the evidence is clear that such policies provide not only better overall individual rights for public workers but also better laws governing measures that affect taxpayers and State and local budgets.

According to a recent report released by the Commonwealth Foundation that measured the impact of a variety of union-related State laws and regulations, Pennsylvania was given a D letter grade for its required collective bargaining, binding arbitration during contract negotiations, and forced unionization. These policies actively limit workers' rights. By contrast, neighboring West Virginia, which recently passed its own public-sector labor reforms, received a letter grade of B.

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Looking at government-sector union membership across the United States, it's clear that the Janus decision could lead to a large number of Pennsylvania public employees wishing to exercise their constitutionally protected right to serve the public without joining a union. Twenty seventeen shows that the public-sector union membership rate in right-to-work States is less than half of the membership rate of non-right-to-work States. Recent data indicates, for instance, that although only 44 percent of teachers reside in non-right-to-work States, 69 percent of the membership of the National Education Association resides in those same non-right-to-work States. In the three States that recently added a right-to-work status for teachers -- Wisconsin in 2010, Indiana in 2011, and Michigan in 2012 -- NEA membership has decreased 59 percent, 18 percent, and 17 percent respectively.

While Janus only applies to government employees in Pennsylvania, other States with full right-to-work laws have enjoyed positive economic outcomes that are worth noting. According to the Wisconsin Policy Research Institute, the presence of right-to-work added an average of about 6 percentage points to the State's annual growth rate between 1983 to 2013. Specifically, between 1970 and 2013, the 22 States with right-to-work laws experienced income growth rates nearly twice as large as non-right-towork jurisdictions. In other words, those 22 States produced 28.75 percent of America's personal income in 1970 but over 8 percentage points more -- 37.32 percent -- in 2013. Since 1990, in fact, the job growth in right-to-work States is up 47 percent versus just 21 percent in nonright-to-work States. Looking at two States that recently became right-to-work, since 2012, Indiana's payrolls have grown by 5.7 percent, and in Michigan they've grown by 4.5 percent.

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The data is strong. Policies that enhance worker freedom help to strengthen a State's economy. Now that Janus has restored the constitutional rights of workers, it's time for Pennsylvania to begin dismantling the barriers placed before its public employees. Their rights against forced speech and association, being just as valid as any other employee rights, would at long last be

codified by the legislation before this Committee. H.B.

2571 promotes the values that Americans for Prosperity and its members, specifically that each of us deserves the opportunity to freely pursue own interests. As such, we're proud to support this bill.

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And thank you for your time and the opportunity to speak on this this afternoon. I look forward to addressing any questions or comments. Thank you.

MAJORITY CHAIRMAN KAUFFMAN: First, I'm going to recognize Chairman Galloway.

DEMOCRATIC CHAIRMAN GALLOWAY: Thank you. Thank you, Mr. Chairman. Thank you for being here.

Just give me one second. There was a lot of talk in the beginning of this. And to be honest with you, I understand the Supreme Court decision. I get it, as long as people understand that the benefits -- one of the reasons why you have members -- and people that you had spoken about, one of the reasons why they enjoy doing what they do is because of the collective bargaining and the work done by those very same distrustful -- I'm sorry, what was the word? Deceptive. What were the words you used?

MR. WILLIAMS: Deceptive and manipulative.

DEMOCRATIC CHAIRMAN GALLOWAY: Deceptive and manipulative unions. Mr. Williams, is your organization actively encouraging members to drop out of their union?

MR. WILLIAMS: We are not. Our primary focus is simply on basically what Representative Klunk's bill does today at a State level. We are informing people of their rights, and we are protecting people when they seek to get out of a union and receive pushback or intimidation or workplace humiliation. That is our focus.

DEMOCRATIC CHAIRMAN GALLOWAY: So when you say you support H.B. 2571, you support the notification procedures, processes and procedures. You're aware that there's going to be notification literally every payday of an employee's right to not join a union?

MR. WILLIAMS: Yes.

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DEMOCRATIC CHAIRMAN GALLOWAY: Do you know how much those things are going to cost? How are we going to notify employees of these rights?

MR. WILLIAMS: That would simply be a -- as I envision it, it could be a line item on the paystub.

DEMOCRATIC CHAIRMAN GALLOWAY: Is it going to cost anything? You don't know. That's good.

MR. WILLIAMS: It won't cost -- I mean, it's the cost of ink on a piece of paper. I mean, that's --

DEMOCRATIC CHAIRMAN GALLOWAY: Do you believe, for example -- you just want to notify the employees of this particular right? You don't want to educate them on all of their rights, right? You don't want to educate them

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       on the right that they have a right to actually join the
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       union and the benefits of that union? You just want to
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      notify them of their right to not join the union and
      benefit from the collective bargaining of that union and
      not pay for it? That's what you want to advocate for?
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       That's what you want to indicate there, right? You don't
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       want to educate them on everything, right?
                MR. WILLIAMS: Our focus is to educate people
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       about their rights, their rights to join a union --
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                 DEMOCRATIC CHAIRMAN GALLOWAY: All their rights?
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                MR. WILLIAMS: -- their rights not to join --
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                 DEMOCRATIC CHAIRMAN GALLOWAY: So you would be in
       favor of them being notified of all their rights?
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                MR. WILLIAMS: Absolutely. I think everyone
       should have a right to know all their rights.
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                 DEMOCRATIC CHAIRMAN GALLOWAY: So you would be in
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       favor of amending this legislation to include all the
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      workers' rights, including the right to actually join a
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      union and educate them on the benefits of the collective
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      bargaining and being part of that union?
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                MR. WILLIAMS: If we're going to get off --
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                 DEMOCRATIC CHAIRMAN GALLOWAY: Leaving off the
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       deceptive and manipulative rhetoric, right?
                MR. WILLIAMS: If we're going to get off into the
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       weeds of --
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1 DEMOCRATIC CHAIRMAN GALLOWAY: No, I'm not 2 getting off into the weeds. You want to notify nonmembers 3 of their right to not join a union. 4 MR. WILLIAMS: Right. 5 DEMOCRATIC CHAIRMAN GALLOWAY: The question is do 6 you want to notify them --7 MAJORITY CHAIRMAN KAUFFMAN: I think --DEMOCRATIC CHAIRMAN GALLOWAY: -- of their right 8 9 to join that union? 10 MR. WILLIAMS: Yes. 11 MAJORITY CHAIRMAN KAUFFMAN: Chairman Galloway, I 12 think they already have that right. I think that's what 13 we're getting at here. 14 DEMOCRATIC CHAIRMAN GALLOWAY: They already have 15 the right but you're not --16 MAJORITY CHAIRMAN KAUFFMAN: They actually have 17 union reps sitting in the room with them when employees are 18 hired. They actually have a union rep with them, so I 19 think that's -- well, not anymore maybe, but that's where 2.0 we were, so you're going off in the weeds. 21 DEMOCRATIC CHAIRMAN GALLOWAY: I'm not going off 2.2 in the weeds. This is the bill, H.B. --23 MAJORITY CHAIRMAN KAUFFMAN: Would you like to 24 ask a question or badger the witness? I mean, you just ask 25 a question. At some point we have to get to the end of

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       your rantings.
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                 MR. WILLIAMS: If your question is simply do
      people have the right to know --
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                 DEMOCRATIC CHAIRMAN GALLOWAY: I'll be honest
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      with you, to characterize what I just said as rantings
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       after what we just heard for a half hour is ridiculous. I
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       got to be honest with you. What was ranting about what I
 8
      just said?
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                 MAJORITY CHAIRMAN KAUFFMAN: Do you have a
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       question?
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                 DEMOCRATIC CHAIRMAN GALLOWAY: I did have a
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       question.
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                MAJORITY CHAIRMAN KAUFFMAN: Okay. Then ask the
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       question --
                 DEMOCRATIC CHAIRMAN GALLOWAY: Did he support --
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                MAJORITY CHAIRMAN KAUFFMAN: -- and let him
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       answer it.
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                 DEMOCRATIC CHAIRMAN GALLOWAY: Do you support
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      notification, taxpayer-paid notification of all employees'
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       rights, including the right to join a union and the
      benefits therefore?
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                MR. WILLIAMS: I absolutely support the right of
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       employees to know all of their rights.
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                 DEMOCRATIC CHAIRMAN GALLOWAY: Thank you.
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                MR. WILLIAMS: Absolutely.
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1 MAJORITY CHAIRMAN KAUFFMAN: Thank you.

Representative Neilson?

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REPRESENTATIVE NEILSON: Thank you, Chairman.

I have to put a disclosure. I've been a member of the IBW for 35 years, proud. I know what this decision does to people. I know what it does to individuals. And I just -- the National Labor Relations Board covers a lot of this stuff, that makes certain union and nonunion members are both -- all the rights of workers are protected and they all have a right to join or not to join.

However, today, your testimony here has been focused on not to join, and I think that's what Chairman Galloway was saying. You know, we're saying we want to tell them, hey, you don't have to join, you don't have to join. Me as a member or you as a member -- you were a member -- do you think it's fair to you for the person next to you to pay union dues, to pay the salaries of the people negotiating your wages, don't you think people should all share that burden? I mean, everybody should pay a little something because you're going to benefit from it. You're going to benefit from that holiday. You're going to benefit from that increase in wages.

I mean, Representative Klunk pointed out that, you know, 20,000 employees, okay, how can you negotiate with each one of those employees? I mean, there's not

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       enough time in a lifetime to negotiate the salary of each
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       one of those employees. So don't you think everybody who's
      part of that unit should pay a fair share to help share
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       that cost or should I as the union person say, hey, don't
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      worry about it, you don't have to pay a thing. You know
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       what, I'll put all my money in so you can get a raise. I
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      mean, where's the balance of that?
                 MR. WILLIAMS: As I always explained it to
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      people, one of the benefits of teaching -- one of the great
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       things about teaching was I could look at my pay scale and
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       I could say, okay, with this many years of teaching and
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       this many credits I'm going to make this much, but one of
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       the --
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                 REPRESENTATIVE NEILSON: As a teacher looking at
       that pay scale --
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                 MR. WILLIAMS: Right.
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                 REPRESENTATIVE NEILSON: -- okay, you knew that,
       you know, for 100 years that union negotiated --
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                 MR. WILLIAMS:
                                Okay.
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                 REPRESENTATIVE MCNEILL: -- on your behalf,
       fought for you to get your summers off paid and all that
21
       stuff. Okay.
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                 MR. WILLIAMS: So that was the benefit, right?
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      But then it gets turned around and I say one of the
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       frustrations about it is that I know with this many years
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1 of teaching and this many credits, no matter how hard I 2 work, I'm only going to make this much. And I understand 3 what you're saying and that's a -- you know, again, I've heard that argument a lot and I understand it --4 5 REPRESENTATIVE NEILSON: It's not an argument; 6 it's a fact --7 MR. WILLIAMS: I understand it's a frustration but you also have to consider, you know, it's the -- and we 8 9 haven't used the term there yet but the free-rider 10 argument, you know, to that I would counter it's a forced-11 rider situation. I certainly did not ask for that 12 representation. REPRESENTATIVE MCNEILL: So should you --13 14 MR. WILLIAMS: You know, I think in the case of my school district we had over 40 teachers who were not 15 16 union members who were at one point when the union elected 17 to go fair share for two years forced them to pay fair-18 share fees, and once they realized that they were 19 compelling 25 percent of the faculty to support political 2.0 causes that they didn't necessarily agree with --21 REPRESENTATIVE MCNEILL: Well, okay --2.2 MR. WILLIAMS: -- went back on it. 23 REPRESENTATIVE MCNEILL: -- I'll touch on the political causes because I was the Treasurer and the 24 25 Political Director of my particular union, and as a right,

- 1 | okay, they all signed co-cards according to the Federal
- 2 Government. We have to sign a card that we contribute.
- 3 You have the ability to ask for that money back, and we
- 4 have members that always every year ask for that money back
- 5 because they wanted to make certain they knew exactly where
- 6 their donation is.
- 7 Say when I was running for office for the first
- 8 time, they wanted to make certain that all their
- 9 contributions to that political education fund went to me
- 10 and not to anybody else because they knew me. They felt
- 11 invested in it. But they had that right under the Federal
- 12 law. I mean, that's already Federal law. You can request
- 13 it. And under Federal law, just like I said I was
- 14 Treasurer, okay, there's not a nickel, a penny spent within
- 15 | that union that isn't approved by the members. So now, as
- 16 a former member or whatever, how many meetings did you go
- 17 to?
- MR. WILLIAMS: I was --
- 19 REPRESENTATIVE MCNEILL: Because I went to four
- 20 meetings a month. I mean, that was me.
- MR. WILLIAMS: Right.
- 22 REPRESENTATIVE MCNEILL: But I voted on -- every
- penny spent in that union has to be approved by the
- 24 membership. I mean, it's clear as day. So if you don't
- 25 take an active role at your union and you decide not to go,

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1
       I mean --
 2
                 MR. WILLIAMS: But if you don't --
                 REPRESENTATIVE NEILSON: -- is that their fault
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 4
       or yours?
                 MR. WILLIAMS: I mean, if you don't agree with
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 6
       what the NRA stands for, should you join the NRA and have a
 7
       say in the vote?
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                 REPRESENTATIVE NEILSON: They already have that
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       option not to become -- I mean, what we're trying to do is
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      we're trying to legislate -- I mean, I heard it through
11
      testimony that, you know, a right to work. You have the
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      right to organize -- and, Chairman, I'm going to make sure
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       I get questions in, too, because I know you're going to
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       correct me, and if all three of you can address it. Maybe
       all three of you come up, one question to all three and
15
       then I'll be done, Chairman. Do you believe in the right
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17
      to organize?
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                MR. WILLIAMS: Absolutely.
19
                 MR. OSBORNE:
                              Yes.
20
                MS. MUMFORD: Yes.
21
                 REPRESENTATIVE NEILSON: You talk about
2.2
       representing people --
23
                 MAJORITY CHAIRMAN KAUFFMAN: I thought that was
24
       your question, wasn't it?
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                 REPRESENTATIVE MCNEILL:
                                          That was one.
                                                         I didn't
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1
       say --
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                MAJORITY CHAIRMAN KAUFFMAN: I thought you said
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       you had a guestion for all three of them.
 4
                 REPRESENTATIVE MCNEILL: We got a lot of time
 5
      left, Chairman.
 6
                MAJORITY CHAIRMAN KAUFFMAN: Okay. Go for it.
 7
                 REPRESENTATIVE NEILSON: Chairman, we got a lot
       of time left.
 8
 9
                MAJORITY CHAIRMAN KAUFFMAN: Number two now.
10
                 REPRESENTATIVE NEILSON: I got pages and pages of
11
       questions, Chairman. I'm sorry.
12
                MAJORITY CHAIRMAN KAUFFMAN: Oh, I'm sure you do.
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                 REPRESENTATIVE NEILSON: I'm sorry, Chairman.
14
      You say you represent a lot of people, and you do it out of
15
       the goodness of your heart, you know, and I thank you for
       that. How many cases did you have last year representing
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17
      members that their union rights were --
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                MR. OSBORNE: Yes, we're talking in any given
19
       year something like 10, 12 cases among --
2.0
                 REPRESENTATIVE NEILSON: Ten cases a month?
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                MR. OSBORNE: No, no --
2.2
                REPRESENTATIVE MCNEILL:
                                          Okav.
23
                MR. OSBORNE: -- in a year.
24
                 REPRESENTATIVE NEILSON: In a year.
25
                MR. OSBORNE: Among three attorneys.
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1 REPRESENTATIVE NEILSON: So you have three cases 2 a year, 12 out of 25,000? 3 MR. OSBORNE: Well --4 MAJORITY CHAIRMAN KAUFFMAN: Are you going to 5 ao --6 REPRESENTATIVE MCNEILL: The number was 25,000 --7 MAJORITY CHAIRMAN KAUFFMAN: -- over his business model now? 8 9 REPRESENTATIVE NEILSON: Do you notify them or 10 something -- do you notify everybody that you're there? I 11 mean, how do you do that? 12 MR. OSBORNE: I'm --13 REPRESENTATIVE MCNEILL: Because, I mean, if I 14 needed help, I want to come see you. I want to point 15 somebody over to you, say, hey, you have an employment 16 problem, go see this guy. I'm going to have them call you. 17 I can't wait till next week. But how do you notify them 18 that you're there? 19 MR. OSBORNE: You know, one of the principal 20 things that we do when we represent a client is we 21 represent them in the court of public opinion. People hear 2.2 about us because we're doing work for other people. 23 REPRESENTATIVE NEILSON: Last question --24 MR. OSBORNE: You know, I'm surprised. A lot of 25 times people come to us because they thought they were the

1 only person out there who was having trouble with the 2 unions, and as it turns out, we're litigating the exact 3 same case. 4 REPRESENTATIVE NEILSON: But that's all you do is go after unions, right? 5 6 MR. OSBORNE: No, we represent public employees 7 when they experience problems with their public-sector union officials. 8 9 REPRESENTATIVE NEILSON: All right. So you just 10 go against the unions. You litigate against the unions, 11 right? That's your sole practice? I didn't have homework 12 because the testimony wasn't given to us prior or I would have -- okay? That's why I'm just trying to --13 14 MR. OSBORNE: Look at our cases. I mean, in many instances what we have to do is --15 MAJORITY CHAIRMAN KAUFFMAN: Okay. Moving on to 16 17 number three, the third question. Keep this moving. 18 REPRESENTATIVE NEILSON: All right, Chairman. 19 All right. Who funds you? That would be to all three of 2.0 Who funds you? How do you get your funding? 21 MR. WILLIAMS: I'll take that. For us it's 2.2 basically business owners, private donations from people who agree with simple principles of worker freedom. 23 MR. OSBORNE: Us, we're a nonprofit. We don't 24

take fees from our clients in order to the work. Instead,

25

1 like any other nonprofit, we have to raise our money.

2 MS. MUMFORD: Yes, same for us. We're funded through voluntary contributions.

MAJORITY CHAIRMAN KAUFFMAN: All right. Moving on, Representative Dush.

REPRESENTATIVE DUSH: Thank you, Chairman. I'd like a quick opportunity to answer a couple of questions. The question to Keith about education of the benefits of unionization versus a simple line that says you have the right not to unionize, I would have no -- or be a member of the union, I would have no problem with "or join as you so wish." But the Minority Chairman went longer than that and beyond that in saying expand on the so-called benefits of the union. So I would be adamantly opposed to doing that. They're already doing it in my experience, and I'm sure Wayne's as well is that in the workplace the unions are doing it every day and they're talking to nonmembers and trying to convince them to become members and putting pressure on them in some cases. So, yes, that --

MR. WILLIAMS: Yes.

REPRESENTATIVE DUSH: -- is something that actually gets done and happens. Is that your experience?

MR. WILLIAMS: Yes. In most cases, unions already enjoy special privileges within the workplace. I can speak to, you know, in our own school district. They

have the privilege of using the school Internet for union activity. They've got several locations where they can post union information on bulletin boards --

REPRESENTATIVE DUSH: Yes.

2.0

MR. WILLIAMS: -- and faculty-accessible areas.

Again, that's again very one-sided. That is advertising the benefits. You know, basically what we're looking for is just simply informing people that it's very straightforward, that you have a right to join, you have a right not to join and leaving it at that. So --

REPRESENTATIVE DUSH: And just one other point of clarification. When the point was made that you were benefiting from 100 years of somebody negotiating ahead of you, the problem with that is I think right now there might be one or two teachers in the entire Commonwealth of Pennsylvania that have actually voted to select who they wanted to represent themselves, and without having the ability to -- the decertification process, I've lived through it twice with AFSCME, and it's a very daunting task.

So the numbers from Wisconsin speak for themselves. Fifty-nine percent of the NEA members walked when they were given the opportunity. There's something wrong with their representation -- and I'll use that in quotes -- when 59 percent, well over half of members

decided to turn around and walk when given the first opportunity. Thank you.

2.2

MAJORITY CHAIRMAN KAUFFMAN: Thank you. Moving on, Representative Keefer.

REPRESENTATIVE KEEFER: Thank you, Chairman. I have a question. Having a spouse that was a longtime member of the union, I certainly see the value of them, and in his profession, I don't know why anybody wouldn't join the union, but I think that they demonstrate that case well.

I've gotten calls from my office, though, regarding how to -- the opt in and the opt out time frame, as well as the process to do that has not been as a simple as one would think it would be. And I'm all for let's give everybody their information, so you have the right to opt in or opt out and these other recourses for that, so I'm not sure what the big deal is with Representative Klunk's legislation that demonstrates that. So what is -- is this a founded issue, do you believe, as far as opting in and opting out and what that procedure is or does that need to be better defined?

MR. WILLIAMS: Yes, and, David, maybe you can speak to this a little bit, too. I can speak, you know, again, from the classroom side of it, you know, boots-on-the-ground type of thing. The maintenance of membership

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certainly creates an issue. You know, we have -- again,
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 2
       I'll speak to school districts. We have 500 school
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       districts in Pennsylvania. In theory you could have 500
       different maintenance-of-membership windows. And
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 5
      basically, what that contract says is -- that maintenance
 6
       of membership clause basically says you can only get out of
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       this union within a 15-day window prior to the ending of
       that contract. So if a contract goes four years, you
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 9
      basically have a 15-day window prior to the end of the
10
       contract. That's the only time that you can get out. And
11
       if you miss that window, oh, sorry about your luck. You're
12
       locked in for the next contract.
13
                 REPRESENTATIVE KEEFER: Does the union have any
14
       kind of responsibility to communicate that, for example,
15
       your health, you know, you can change and you have that
16
      window to opt in and opt out but you get that notification
17
       that, hey, your time frame is here and you have to do
18
       that --
19
                MR. WILLIAMS: Yes, there is no --
20
                 REPRESENTATIVE KEEFER: -- that you're aware of?
21
      No.
2.2
                MR. WILLIAMS: -- notification of that.
23
                 REPRESENTATIVE KEEFER: Thank you.
24
                MR. WILLIAMS: Yes.
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MAJORITY CHAIRMAN KAUFFMAN:

Thank you.

1 Representative Leanne Krueger-Braneky.

2.2

2 REPRESENTATIVE KRUEGER-BRANEKY: Thank you, Mr.

3 Chairman. And thank you each for testifying here today.

Mr. Williams, I'm curious about something you said in your testimony. How exactly were you contributing to the Democratic Party through your dues to the teachers union?

MR. WILLIAMS: Based on contributions, when you look at the breakdown of where money has gone, I can speak to the 2015/16 election cycle when you look at total government union political action committee contributions, of \$6,224,580, 89 percent of that went directly to Democrats, \$5,564,600 --

REPRESENTATIVE KRUEGER-BRANEKY: And are you aware of the fact that unions have to solicit separate funds for political contributions and they've always been prohibited from using dues or fair-share fees for political contributions?

MR. WILLIAMS: I am aware of that for the political action campaign, yes. However, when you look at anything outside of that, the argument that dues cannot be used for any sort of political statement, I would point you to the AFT convention that they just had --

REPRESENTATIVE KRUEGER-BRANEKY: I'm sorry, which AFT is this? Is this the --

1 MR. WILLIAMS: This is the --2 REPRESENTATIVE KRUEGER-BRANEKY: -- teachers 3 union or your organization? MR. WILLIAMS: We go by AFFT, so --4 REPRESENTATIVE KRUEGER-BRANEKY: Oh, that's --5 6 MR. WILLIAMS: -- ves. 7 REPRESENTATIVE KRUEGER-BRANEKY: -- verv close. MR. WILLIAMS: Yes. It is close. But AFT's 8 9 convention, you know, again, conventions can use union 10 dues, and at that convention they had Elizabeth Warren, 11 they had Bernie Sanders, they had Hillary Clinton speaking. 12 At the NEA convention they had David Hogg. You know, 13 certainly these are very politicized public figures. 14 REPRESENTATIVE KRUEGER-BRANEKY: But again, you 15 said that your contributions were directly going to the 16 Democratic Party, which is and has always been illegal. 17 Unions need to solicit other funds to do that. 18 You said to my colleague that your organization 19 is not encouraging members to leave their unions. looking at your website right now, and there's a section 20 21 that says, "my choice, my vote, three steps to resign from 2.2 your public sector union." So can you tell me again, are 23 you encouraging union members to disenroll from their 2.4 union?

MR. WILLIAMS: We are giving them the tools that

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1
       they need to exercise their rights, yes.
 2
                 REPRESENTATIVE KRUEGER-BRANEKY: So yes, you are?
 3
                MR. WILLIAMS: We are giving them the tools they
 4
      need to exercise their rights, yes.
 5
                 REPRESENTATIVE KRUEGER-BRANEKY: And is your
 6
       organization affiliated with the Koch brothers in any way?
 7
                MR. WILLIAMS: No.
                 REPRESENTATIVE KRUEGER-BRANEKY: Are you
 8
 9
       associated --
10
                MR. WILLIAMS: Or Betsy DeVos or like --
11
                 REPRESENTATIVE KRUEGER-BRANEKY: What about the
12
      Commonwealth Foundation?
                MR. WILLIAMS: -- throw them all out there. I'm
13
14
       sorry?
15
                 REPRESENTATIVE KRUEGER-BRANEKY: What about the
16
      Commonwealth Foundation?
17
                MR. WILLIAMS: No, we are our own separate
       501(c)(3).
18
19
                 REPRESENTATIVE KRUEGER-BRANEKY: Is the CEO of
2.0
      the Commonwealth Foundation not one of the three members of
21
      your board?
2.2
                MR. WILLIAMS: He's on the board, yes.
23
                 REPRESENTATIVE KRUEGER-BRANEKY: So you are
      associated with the Commonwealth Foundation?
24
25
                MR. WILLIAMS: To the extent that there is a
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1 | member of our board who was involved --

MS. MUMFORD: No.

2.2

2 REPRESENTATIVE KRUEGER-BRANEKY: Okay.

3 MR. WILLIAMS: -- in the Commonwealth Foundation,
4 yes.

REPRESENTATIVE KRUEGER-BRANEKY: And the Commonwealth Foundation also has ties to the Koch brothers as well.

One last question for Ms. Mumford. You talk about grassroots volunteers. Are you actively encouraging union members to disenroll from their unions right now?

REPRESENTATIVE KRUEGER-BRANEKY: So Americans for Prosperity opened a new field office in my district about two weeks before the *Janus* decision came down in Delaware County. I drive by it because it's right down the street from my legislative office. Exactly what kind of grassroots activity is happening out of that field office?

MS. MUMFORD: So you are free to stop by at any point. Our Field Director has been working there for about a year. I think that office opened fairly recently, but he lives in Delaware County. That's where he's from. This week, he had a fantasy football draft in his office for activists who were there. There are training activities going on. Grassroots leadership academy, phone-banking, door-knocking, all of that stuff happens out of that

1 office, but you are more than happy to come by at any 2 point. REPRESENTATIVE KRUEGER-BRANEKY: They're welcome 3 4 to stop by my office and see me, too. 5 MS. MUMFORD: Sure, no, that sounds great. 6 REPRESENTATIVE KRUEGER-BRANEKY: And so the door-7 knocking, the canvassing this happening, are you targeting 8 union members with that activity? 9 MS. MUMFORD: No, I mean that's not a specific 10 target. We do issue advocacy, so it depends on the issue 11 that we are working on, so if we're talking about taxes, 12 we'll talk to citizens who we think care about taxes and 13 spending. If we're talking about energy issues, we'll talk 14 to citizens we think care about energy issues. Often we're just door-to-door trying to figure out what issues citizens 15 16 care the most about so --17 MAJORITY CHAIRMAN KAUFFMAN: Representative, do you have any questions on the bill or the issue rather than 18 19 the --2.0 REPRESENTATIVE KRUEGER-BRANEKY: Yes. 21 MAJORITY CHAIRMAN KAUFFMAN: -- organizations 2.2 testifying? 23 REPRESENTATIVE KRUEGER-BRANEKY: Yes, last question. Have any of your organizations filed Freedom of 24 25 Information Requests to identify union members in

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1
       Pennsylvania?
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                MR. WILLIAMS: We have.
 3
                 MS. MUMFORD: I have not.
 4
                MR. OSBORNE: I believe we have for the purposes
 5
       of some of our cases, yes.
 6
                 REPRESENTATIVE KRUEGER-BRANEKY: Okav. Thank
 7
       you, Mr. Chairman.
                MAJORITY CHAIRMAN KAUFFMAN:
 8
                                              Thank you.
 9
       Representative McNeill.
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                 REPRESENTATIVE MCNEILL: Thank you, Mr. Chairman.
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                 This comment or question is directed to Ms.
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      Mumford. When you mentioned West Virginia being one of the
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       States that passed their own public-sector laws, I decided
14
       to Google, and according to Google, West Virginia is the
15
       lowest-paid teacher average rate in the State, and
16
       Pennsylvania is the ninth-highest. West Virginia is 45 and
17
       change and Pennsylvania is 63 and change. My guess is that
18
      we're better off having Janus not in the public sector. I
19
      think our wages will not be able to be sustained and we'll
2.0
      have teachers making much less money.
21
                 MS. MUMFORD: Well, the Supreme Court's already
2.2
      ruled on Janus --
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                 REPRESENTATIVE MCNEILL: I realize that --
                 MS. MUMFORD: -- so we can't --
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25
                                          I'm just saying that --
                 REPRESENTATIVE MCNEILL:
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1 MS. MUMFORD: -- make that decision.

2.2

REPRESENTATIVE MCNEILL: -- it's going to hurt us here in Pennsylvania if we add our own laws to it.

MS. MUMFORD: Well, our interest is giving individuals the opportunity to be free to make their own choices. Significantly just understanding what their rights are, as we talked about earlier is important given the Janus ruling, so that's what we are here to support, Representative Klunk's bill.

REPRESENTATIVE MCNEILL: I know I support any teacher making a higher wage, and Pennsylvania pays pretty decently to support a family. Thank you, Chairman.

MAJORITY CHAIRMAN KAUFFMAN: Thank you. Representative Cephas.

REPRESENTATIVE CEPHAS: Thank you, Chairman.

And so I have a couple of questions. So each of you discussed that you represent a particular constituency that you're advocating for. Can you give me the demographic breakdown of each of the constituencies that you are referencing during this hearing, like what is their gender or what's their race, what's their average income for the people that you're representing?

MR. OSBORNE: So let me tell you about homecare workers. We represent a home-care working and the man for whom he cares in a case that was decided just recently by

the Pennsylvania Supreme Court. Homecare workers make on average \$20,000 a year. The union that was enabled by the executive order wanted to take a 2 percent cut out of everybody's paycheck, 2 percent cut out of a \$20,000-a-year salary. It adds up for the union to quite a lot of money. There are 20,000 homecare workers across Pennsylvania, so you're talking \$8 million for the unions involved.

2.2

REPRESENTATIVE CEPHAS: And last question for the other two, we're constantly referencing the issue around political contributions and then pushing political candidates. What other issues have your clients raised that have been a concern with the unions outside of political contributions?

MR. OSBORNE: So nearly everything that we do has happened to involve work outside of the political contribution area. There was one case that we filed involving Pennsylvania law that's been in place since 1970 that prohibits unions from using dues dollars to contribute to a candidate directly or indirectly or to a party or to a political organization. However, unions have been doing that as well so --

REPRESENTATIVE CEPHAS: So I'm asking outside of the political contribution argument, what are the other reasons that your constituency brings up as to why they want to be out of the unions --

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                 MR. WILLIAMS: I --
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                 REPRESENTATIVE CEPHAS: -- outside of the
 3
      political contributions?
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                 MR. WILLIAMS: I can speak to that for a few
 5
      people that I've actually spoken with in the last two
       weeks, issues with representation. I have a situation
 6
 7
       where we have a client who he's a member of AFSCME in a
 8
       school and doesn't feel like AFSCME has any business being
 9
       in a school, doesn't feel like he's well-represented there
10
       or that they understand the needs of him in a school and
11
      wants to get out. So it's not necessarily -- I would say,
12
       you know, speaking for the people that I've spoken to, it's
13
       very across the board, but I think if I were going to say
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       the majority, it would probably be political activity is
       their most --
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16
                 REPRESENTATIVE CEPHAS: So they're not talking
17
       about the collective bargaining? They're not talking about
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       the pay raises?
19
                 MR. WILLIAMS:
                                No.
20
                 REPRESENTATIVE CEPHAS: They're talking about the
21
      political contributions --
2.2
                 MR. WILLIAMS: Yes.
23
                 REPRESENTATIVE CEPHAS: -- that are indeed
       illegal for --
24
25
                 MR. OSBORNE: But, Representative Cephas --
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REPRESENTATIVE CEPHAS: -- dues --

MR. OSBORNE: -- I do think you have to understand what Janus said. Janus was not about those sort of overt political activities that we've all recognized in the past. What Janus said was that it's all political, top to bottom. When a union goes and bargains over collective bargaining, benefits, salary, there are inherent tradeoffs. So a school, for instance, that ends up agreeing to, you know, whatever it is that the union wants -- and I'm not taking a side on any of those issues -- but there have to be tradeoffs. If it's not a benefit, you know, it's a curriculum or it's computers for kids. I mean, these are all inherently political matters.

The point of Janus and what the U.S. Supreme Court held was that an individual shouldn't be compelled to support that, regardless of, you know, where they fall on the political spectrum.

REPRESENTATIVE CEPHAS: Okay. Thank you.

MAJORITY CHAIRMAN KAUFFMAN: Thank you.

Representative Klunk?

REPRESENTATIVE KLUNK:

and the Janus decision.

Thank you, Mr. Chairman. And I would actually like to get back on topic to the bill

The Janus decision talked about this affirmative consent when it comes to, you know, paying these fair-share

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fees. Since introducing this legislation, it has come to my attention that a number of employees who were nonunion have been approached by members of the union to sign different contracts and pledge a certain amount of money to the union. I think in anticipation of Janus, maybe the unions saw the writing on the wall, anticipated it, and tried to get those employees on the hook prior to the Janus decision.

So my question is more of a legal question if you can give us any insight into what do you see happening with those particular contracts that may have been signed prior to the Janus decision? And how does Janus play into that for affirmative consent if those individuals now see the Janus ruling and really don't want to contribute anymore because they know that they actually have these rights under Janus. It needs to be, you know, affirmatively made on their behalf, that it's not a condition of employment. What do you see happening with those contracts that were signed prior to Janus?

MR. OSBORNE: Yes, so it's true. Prior to Janus, there were a number of different contracts that started to pop up, contracts that asked people to become a member of the union and to agree to pay that union a particular amount, regardless of their membership status. So even if someone was to become a nonmember at some point in the life

of -- you know, the agreement usually pertains to a particular period of time -- they would still have to pay union dues even though they're a nonmember.

2.2

To my knowledge, the courts haven't addressed basically the constitutionality of a provision like that because, you know, they're new. But I know there are a number of cases in the works to decide that question.

MAJORITY CHAIRMAN KAUFFMAN: All right. Thank you very much for your testimony today, for being here, and we are going to move on to the next panel. We are actually surprisingly ahead of schedule even though we went off into the weeds many times.

REPRESENTATIVE NEILSON: [inaudible].

MAJORITY CHAIRMAN KAUFFMAN: Well, if you want to hang around longer, Representative Neilson -- so now we have our next panel joining us. And first, we have Steve Catanese from SEIU Local 668, Stuart Knade from the Pennsylvania School Boards Association, and Jim Vaughan from the Pennsylvania State Education Association.

And I'd like to remind the panelists to please summarize your remarks to five minutes, and Shannon will be there to give you the sign when it's time. And then we can move on to questions after you have completed. So welcome, and you can go in the order that you were called, Steve, Stuart, and then Jim at the end. Thank you.

MR. CATANESE: I thought we might draw straws.

All right. Good afternoon, everyone. Thank you, Chairman Kauffman, Chairman Galloway, the general body, brothers and sisters in the audience and on the body. My name is Steve Catanese. I'm the President of SEIU Local 668. We're a union that represents 19,000 workers primarily in social services. I myself am a member of my own local. I come from being a caseworker myself, recently was a caseworker in a county assistance office. Happy to have the opportunity to testify here today.

2.2

So as Representative Klunk's co-sponsorship memo notes, this bill is designed to ensure public employee union compliance with the Supreme Court of the United States' decision in Janus v. AFSCME, which held that unions that represent public-sector employees such as our local, could no longer negotiate fee arrangements with employers for representational services to nonmembers of bargaining units.

It is therefore remarkable that the Supreme Court, who's current composition has been described by many pundits as pro-corporate, has codified into law that certain individuals receive services from private organizations completely free of charge. However, while the outcome baffled us, while it continues to baffle us, the decision is law. It's a law by which we've abided and

will continue to abide.

2.2

Prior to the decision being announced, we sent letters to the employers that we bargain with on a daily basis, telling them that in the event of an adverse decision in the *Janus* case, they should stop collecting fair-share fees immediately. Following the decision, we sent an additional letter advising them to cease collecting fair-share fees, which brings us to H.B. 2571.

We have long complied with our obligation to ensure that nonmembers only paid their fair portion for representational services. If there were widespread violations of this law before June of 2018, then the State Legislature could have enacted measures to ensure compliance. The Pennsylvania State Legislation has not because such evidence does not exist. There is no need to ensure that public employee unions comply with the decision and consequently no need for this bill as there's no evidence that we've never complied with the previous law.

The onus, though, to comply with the decision and this legislation falls as much if not more so on employers than on unions. It's remarkable that, with the exception of Mr. Knade from the Public School Boards Association, who is now not with us today but that those who would bear the lion's share of the responsibility for implementation of House Bill 2571, including public colleges, county

employers, and nonprofits are not here given the opportunity to testify today.

There are a number of contradictions inherent in the bill itself as well. Section 402(a) of Act 195, the Public Employee Relations Act, would be amended under this. This would mandate the employer would repeatedly notify even before the start date for employees that they do not have to enjoin a union. This would constitute an unfair labor practice under the act in Article 7, Section 1201(a). Repeated notification to an employee by an employer 26 times a year that they do not have to join a union is the very definition of coercive activity and flies in the face of established law. Moreover, such notification undermines the very principle of freedom of association upon which Mark Janus hinged his arguments.

If I as a future public employee am told that I do not have to join a union repeatedly from my employer, who is in a position of authority over me, then a coercive effect of that notification impairs my ability to associate with the union freely of my choice. If I presume rightly or wrongly that ignoring the repeated notification of my employer about not joining a union will lead to disparate treatment, discipline, or otherwise retaliatory actions from the employer, then the law constitutes an impairment of my constitutional right of free association.

As a union, we invite employees to join us freely of their own will. To do so, we have negotiated orientations in some contracts. This is not standard but it does exist. These same contracts include clear procedures for how an individual may join or disenroll from the union. Attendance at such orientations are completely voluntary. Despite what was stated earlier, we are not sadly given the opportunity to sit with someone when they get hired on day one and make them join the union. We do sometimes get a moment in some workplaces to speak to people about what the union's about and how they can join.

This bill would create a law that would statutorily force an employer to intimidate employees into not joining a union. How would this not impair an individual's First Amendment rights? Such actions beg the question what are the priorities of this body? Why is this much attention, time, and taxpayer resources being paid to enact a bill that would create a new regulation on employers clearly intended to discourage employees from joining a union? Is similar time being invested in the regulation of bad employers who regularly seek to prevent hardworking taxpayers from exercising their legal right to organize a union?

Thirty seconds? I'm a long talker.

Notification of union rights to all employees

2.2

should be made out there. Now, I'll really rush through the rest of this. And the point I was going to make there is if we're going to notify some workers that they don't have to join a union, every worker, whether they're in a workplace that's organized or not, should be notified of their rights that they can of their own free will engage in concerted activity and join a union.

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Flatly, our union is predominantly female. two-thirds of our members are women. The collective bargaining agreements that we negotiate actually provide pay equity in the workplace. Pay equity in the workplace for public servants who earn less in the exercise of saving lives on a daily basis are members from 911 dispatchers, children and youth caseworkers, unemployment compensation officers who've testified in front of this board recently to help fix government that was broken by this Assembly, they do that because they care about helping people. What this bill would do was impact those members, two-thirds again of which are female, and those workers who, for the first time in their life, have had equal pay at the workplace because we bargained it with the same pay scales that were disparaged earlier, they would lose that ability. What we're talking about is undermining that ability for people to actually bring bread home to their family, for once be the breadwinner that actually can come home from

work and say I have a union contract with benefits that save and help my family out.

2.2

In closing -- I got to catch up to where I was in my written remarks -- we do believe that H.B. 2571 is unnecessary and unsound. It's driven ultimately by corporate special interests to erode the rights of hardworking taxpaying Pennsylvanians. This will put costs on State Government that would be passed on to taxpayers. This is not good government.

I do appreciate you giving me the time and the ability to show some passion at this podium. Thank you all very much.

MR. KNADE: Good afternoon. I'm Stuart Knade,
Senior Director of Legal Services for the Pennsylvania
School Boards Association. Chairman Kauffman, Chairman
Galloway, thank you for inviting us to testify here today.

We are employers. The public school entities that we represent in this big equation are the employers. Our individual members, elected school directors, thousands of elected school directors in their private lives, you know, may be employees, may be business owners, may be employers themselves, but when they sit on a school board, they are collectively employers. And one of their chief concerns is making sure that they comply with the law, that they don't violate employee rights, which gets a little

more complicated in the public sector.

2.2

And the issues that Janus confronted are issues that really only arise in the public sector. We're talking about employee First Amendment rights and the involvement of government in the form of a government employer agreeing to things that have an impact on employee expressive and associational First Amendment rights.

So Janus is a big deal, but it was not a surprise. As you can see in our written testimony, the writing began to appear on the wall a number of years ago, so, as I think our first witness or -- I'm sorry, I didn't catch the last name -- but indicated both the employers and the unions that we work with were very proactive. We sort of saw it coming. The result was not much of a surprise I think to most of us. And we did a lot of proactive measures to make sure that on the day that the decision was issues that any collection of fair-share fees stopped immediately and, you know, months and months in advance we put out information to say to employers here's how you should prepare to do that so that it isn't a mad scramble for you. This is something you can just simply execute once you get confirmation.

And this was also important. Once the Janus decision was issued, even though it didn't address

Pennsylvania law, so it had to be analyzed to make sure

that it had the same impact on Pennsylvania law that it had on the Illinois law that it was directly confronting. And it was crystal clear at least to us at the School Boards Association, you know, that the Pennsylvania law was equally infirm under Janus and we could no longer be implemented.

2.2

And so that sort of brings us to the topic of the bill, which I think some have referred to it as sort of cleaning up. You know, we think it's generally not a good idea to leave laws on the books that can't be implemented constitutionally. So repealing them is appropriate. It's a good idea. The bill does that.

It's also not a bad idea to tell employees what their rights are. We're kind of used to that as employers. We have big bulletin boards in the workplace that notify employees of all kinds of different rights that they have under State and Federal laws and that are important to them. How many employees actually read those bulletin boards? It's difficult to say, just like how many employees actually look at their paystubs. It's also difficult to say.

Nonetheless, we take steps to notify employees of their rights in a number of different contexts, and it's hard to say that that's ever a bad idea to tell employees what their rights are. The real question is how do you do

1 so in a cost-effective and administratively efficient way.

2 We generally think that the goals of the bill are

3 appropriate, and we'll be happy to have further

4 conversations about whether or not we can make the actual

5 mechanisms as cost-effective as we can.

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MAJORITY CHAIRMAN KAUFFMAN: Thank you. And just to note, we did invite the Pennsylvania State Association of Township Supervisors, as well as the Pennsylvania State Association of Boroughs to testify as well, and they declined. And with that, we can only assume that they didn't have great issues with the legislation either as public employers.

And you may proceed, Mr. Vaughan.

MR. VAUGHAN: Thank you. Good afternoon,
Chairman Kauffman, Chairman Galloway, and Members of the
Committee. I'm Jim Vaughan. I'm the Executive Director of
the Pennsylvania State Education Association. I'd like to
thank you on behalf of PSEA for inviting us to participate
in this discussion surrounding House Bill 2571, which was
introduced in the aftermath of the Janus v. AFSCME ruling
recently handed down by the Supreme Court.

For context, PSEA has slightly more than 181,000 dues-paying members. Of those, 142,000 approximately are active school employees, including teachers and education support professionals. Prior to June 27th of this year,

PSEA also received fair-share fees from an additional 6,800 feepayers. I'm estimating those figures.

2.2

Now, we were certainly disappointed in the 5-4 ruling that overturned a decades-old precedent, and we don't agree with the rationale that the ruling was based on. Nevertheless, the United States Supreme Court has ruled, and PSEA is acting in compliance with the decision.

understand that fair-share provisions in public-sector collective bargaining agreements are now unconstitutional, and to this end, we've done everything to fully comply with the Court's decision. In the interest of time, I've detailed our actions in my written testimony and attached copies of correspondence to school employers and nonmember employees following the Court's decision, and in sum, I can assure you that we have notified all former feepayers of the ruling, and we are no longer collective fair-share fees from those individuals.

Within hours of the ruling, PSEA reached out to contact school employers via email, mail, and phone, and directed them to immediately cease payroll deductions for fair-share fees. Today, we continue to partner with employers to obtain the information necessary to refund any fees where employers were unable to modify a scheduled payroll. We established a restricted account to ensure

that any nonmember feepayers are refunded expeditiously and with interest.

2.2

Now, I'd like to turn my attention to House Bill 2571, and it's my hope to be clear and succinct on this point. We believe the notice requirements contained in House Bill 2571 are both unnecessary and may expose parties to unfair labor practices. As has been pointed out, post-Janus, public employers are prohibited from deducting fair-share fees from nonconsenting nonmembers, which makes the proposed mandate superfluous. PSEA has already provided this notice to nonmembers who were formerly feepayers. It seems illogical to require notice to nonmembers that they are no longer required to have any dealings with the union when, because of Janus, they are no longer required to have any dealings with the union.

It should also be noted that the bill is silent with regard to the means by which the notification must be delivered, which creates the potential for abuse and exposes parties to potential unfair labor practices, discrimination in hiring, and interference with employee rights under PERA. And even if employers do provide the notification in a fair manner, as has been mentioned before, the legislation ensures antiunion bias by only explaining one side of the choice.

In Pennsylvania, employees and their colleagues

can determine for themselves whether or not to join a union. Individual employees always have the free choice to engage in or refrain from union activities, and if the stated intent of the bill is truly to ensure that nonmembers are aware of their rights following the Janus decision, the bill should require notice of their full rights. Instead of exclusively focusing on telling public employees of their right to not join a union, it should include notice of their rights to join a union as well, just as the overwhelming majority of school district bargaining unit employees have chosen to do in this State.

In fact, PSEA could entertain supporting this legislation if it simply provides for an access to the full range of information to employees of their rights. Again, if the intent is to mandate notice to nonmembers every pay period of their right not to join a union, we believe it only makes sense to provide notification informing them of their rights to join a union as well.

We believe it would be a disservice to publicschool employees to deliberately exclude union rights and
benefits from proposed notice requirements, especially
since we believe it's been proven that a strong union is in
the best interest of employees, students, and their
schools.

I and PSEA am proud of the benefits and services

2.2

we provide to our members. Our members are, too. months leading up to the Janus ruling, local associations engaged in tens of thousands of conversations with nonmembers, new employees, and existing members, and we are encouraged and invigorated by those conversations. Overwhelmingly, these discussions showed that public-school employees value PSEA and have made clear the value of our union is not simply bargaining and enforcing a contract but also, the heart of our membership is a resounding desire to be supported and recognized for the challenging and

important work that our members do on behalf of

Pennsylvania's students and schools every day.

2.2

We will continue to provide the tools, protections, and resources our members need to perform their work because we know that they are constantly striving to improve their practice and to grow professionally because all our members are committed to making sure students receive a high-quality education.

Thank you for your time, and I look forward to answering any questions you may have.

MAJORITY CHAIRMAN KAUFFMAN: Thank you, gentlemen. I appreciate it. And I was notified that -- although I didn't have her on a list, I was notified that I missed Representative Donatucci last round, so we're going to start with Representative Donatucci.

1 REPRESENTATIVE DONATUCCI: Thank you, Mr. 2 Chairman.

2.2

This question is for Steve Catanese and James
Vaughan. Your testimony mentions your local associations
have reached out to nonmembers. What is the typical
response from these nonmembers?

MR. CATANESE: Sure, I don't mind going first. I mean, as having been a workplace steward myself before being in this role, it's not much different than the usual. We reach out to workers, explain the benefits of joining a union, why they should. They don't have to. Sometimes people do. In the wake of the Janus decision, remarkably, a lot more people who were previously feepayers joined because they felt in some sense they were paying a fair share. They didn't want to be a free rider, so we've actually seen a very strong response in the wake of it.

MR. VAUGHAN: I can't speak to specifics of individual conversations because I don't have those. What I can tell you, though, is we have had hundreds of either nonmembers or former feepayers have chosen to join the union either prior to or in the wake of Janus, and we simply view this as a way to actively engage nonmembers in the union, explain the potential benefits of joining, and to answer any questions or concerns they may have and try to engage them in the union and make them active

participants.

2.2

REPRESENTATIVE DONATUCCI: Okay. So is it your belief that public employers in Pennsylvania are already complying with the *Janus* decision?

MR. VAUGHAN: I can speak from PSEA's experience. We've worked very closely with public employers and the employers that had fair-share provisions in their contracts, and we believe we are doing a very good job of complying with the court case at this point and stopping the deduction of fees. And in our case where it's necessary refunding certain amounts of fair-share fees.

REPRESENTATIVE DONATUCCI: Okay. And lastly, are unions required by law to represent nonunion members?

MR. CATANESE: Yes, and bargaining unit, yes.

REPRESENTATIVE DONATUCCI: Okay. Thank you.

MAJORITY CHAIRMAN KAUFFMAN: All right. Moving on, Representative Keller.

REPRESENTATIVE KELLER: Thank you, Mr. Chairman, and thank you, gentlemen, for your testimony.

I want to focus on a couple things that were brought out. Mr. Catanese and Mr. Vaughan, you had mentioned increased activity in people wanting to join the union in the wake or prior to the *Janus* decision. Are you aware of any collective bargaining agreements that actually went around seeking people to sign papers that might be

1 fair-share people that might not be union members? Did 2 your collective bargaining agencies do that? MR. CATANESE: I think this echoes back to a 3 4 point that was attempted to be made earlier. What do you mean in terms of collective bargaining agreements having 5 6 people sign papers? Are you talking about --7 REPRESENTATIVE KELLER: In other words, the collective bargaining unit --8 9 MR. CATANESE: -- members --10 REPRESENTATIVE KELLER: -- going around saying, 11 hey, there's this Supreme Court decision out here. You 12 better join or, you know, you're going to lose rights. 13 MR. CATANESE: So if you're asking if union 14 members went around and talked to their coworkers and said there's a --15 16 REPRESENTATIVE KELLER: No, union officials, 17 elected, like the -- I'm just wondering if --18 MR. CATANESE: People like myself? 19 REPRESENTATIVE KELLER: -- your locals, if your 20 shop stewards, if your people that represent the union went 21 around to people and tried to get them to sign on to the 2.2 union membership? MR. CATANESE: Our shop stewards ask members and 23 24 nonmembers to sign up every day, yes. 25 REPRESENTATIVE KELLER: Okay.

1 MR. CATANESE: That's a regular course of action 2 in a union. REPRESENTATIVE KELLER: And there was no 3 increased activity around the Janus case? 4 5 MR. CATANESE: Was there increased -- yes --6 REPRESENTATIVE KELLER: Okay. 7 MR. CATANESE: -- we went around and asked people --8 9 REPRESENTATIVE KELLER: Okay. 10 MR. CATANESE: -- if you're not a member, there's 11 a really good reason to sign up, and most people saw why. 12 REPRESENTATIVE KELLER: Okay. The reason I ask 13 -- and I'm going to go back to you Mr. Catanese -- you 14 talked about getting a notice every two weeks that you didn't have to join. You thought that was a little bit 15 16 overbearing. 17 MR. CATANESE: So --18 REPRESENTATIVE KELLER: That's what you said 19 earlier, correct? That's harassment I think is the way you 2.0 said it earlier. 21 MR. CATANESE: And I want to go back to something 2.2 Representative Klunk said when she introduced the bill 23 earlier, that this would actually require unions to notify people of this. And this came up in an op-ed, the 24 25 Commonwealth Foundation --

1 REPRESENTATIVE KELLER: Well, no, I want to --

MR. CATANESE: -- that this is a union --

REPRESENTATIVE KELLER: Excuse me. Mr. Chairman,

4 can we stick to the --

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MR. CATANESE: -- notification. This is public employer notification.

REPRESENTATIVE KELLER: No, but --

MR. CATANESE: So the difference between a worker talking to a coworker and an employer repeatedly sending notification out is different.

REPRESENTATIVE KELLER: And a union President.

Because I'm going to give you an example. You said that getting notice every two weeks would be considered harassing or, you know, a violation of someone's rights because you're continually hounding them. I know of a person coming up to this -- it was actually an AFSCME collective bargaining unit, one employee over three weeks was visited six times with a paper put under her nose saying you need to sign this. The last time, two people. The last time, two people. So I guess the point I want to make is that you're making this sound like people just went and did this of their own free will when I know in fact that people were coerced into signing this. "You're the only one that didn't sign it, you're the only one that didn't sign it, you're the Committee to

1 know that while this all sounds like an attack on organized 2 labor, it's not. It's just simply letting everybody know what their rights are because they are continually getting 3 bombarded from the other side. 4 I'm going to get off of that for right now. 5 6 question I quess I would have to Mr. Vaughan, how do you 7 measure teacher performance? MR. VAUGHAN: How do we measure --8 9 REPRESENTATIVE KELLER: Oh, excuse me. I'm 10 sorry. School Boards Association is Mr. Knade. I'm sorry. 11 How do you measure teacher performance? 12 MR. KNADE: Well, we have a mandatory evaluation 13 system that we're required to use in terms of annual 14 evaluations for professional employees. 15 REPRESENTATIVE KELLER: Okay. So you care more 16 about how well they're teaching the students? That's 17 really the goal of a public-school employee? 18 MR. KNADE: Ultimately, that's our most --19 REPRESENTATIVE KELLER: Okay. 2.0 MR. KNADE: -- important priority, yes. 21 REPRESENTATIVE KELLER: Right. So if I'm a 2.2 public-school employee and it's been decided that if I have 23 this much experience and this much education, this is what

I make, what's my incentive to want to try and do better if

everybody's getting paid the same no matter how I perform?

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1 MR. KNADE: I think you ask a valid question that 2 comes up in the context of labor relations in any 3 context --4 REPRESENTATIVE KELLER: Okay. MR. KNADE: -- which is --5 6 REPRESENTATIVE KELLER: Because I've heard from 7 the Committee that, you know, it's all about pay, and we want people to earn a good living, but we also want to make 8 9 sure that our students are learning, the people that are 10 providing services for the Commonwealth are getting the 11 best service they can get, and when everybody is paid the 12 same no matter what, you don't always get -- just because 13 you pay more doesn't mean --14 DEMOCRATIC CHAIRMAN GALLOWAY: Mr. Chairman, can 15 we stay --16 REPRESENTATIVE KELLER: -- you got better --17 DEMOCRATIC CHAIRMAN GALLOWAY: -- on the bill, please? This really has nothing to do with the bill. 18 19 MAJORITY CHAIRMAN KAUFFMAN: We were on lots of 20 rabbit trails last time if you remember, and most of them 21 were yours. 2.2 REPRESENTATIVE KELLER: Well, I quess I just want to make the point that people should earn a good living, 23 but the point is being in a collective bargaining unit 24 25 doesn't quarantee you that. What quarantees it is

performance. And I just want to make the other point, since it was brought out in testimony that it would be harassing to let everybody know every two weeks what their rights would be, it's also harassing to have an employee get visited every two and a half days for a period of three weeks to sign a paper. Thank you.

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MAJORITY CHAIRMAN KAUFFMAN: Representative Cephas.

REPRESENTATIVE CEPHAS: Thank you. A couple of quick questions. I know the one gentleman mentioned the demographics of your union earlier in your testimony. Can the other two unions let us know what your demographics are? I mean, since he brought up the issue around pay equity, I had a hearing a couple of weeks that talked about the intersection between the Janus ruling and pay equity for women, so if you can mention that, that would be great.

MR. VAUGHAN: Certainly. I can tell you off the top of my head that roughly three-quarters of our union members are female. Beyond that, I don't have the specific demographic ethnic breakdowns off the top of my head, but I'd be happy to provide that --

REPRESENTATIVE CEPHAS: Great.

MR. VAUGHAN: -- to the Committee. Also if I could, with regard to the prior line of questioning, I would also be happy to share a number of studies that

indicate that unionized educators and well-paid educators --

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REPRESENTATIVE CEPHAS: Perform better.

MR. VAUGHAN: -- have better-performing schools and better-performing students.

REPRESENTATIVE CEPHAS: Great.

MAJORITY CHAIRMAN KAUFFMAN: Representative Dush.

REPRESENTATIVE DUSH: Thank you, Chairman.

First of all, both to SEIU and the PSEA, I want to thank you for the proactive way you've notified, getting the letters out. I saw the letters, and I appreciate that. But I want to go into a few things here. With the previous panel, Representative Cephas brought up about other issues, and, Steve, you brought up about the issue last session, the beginning of this session and blamed the Legislature for what was going on with Secretary of Labor and the \$400 million of taxpayers' money that was being wasted on the Ben Mod, the Benefits Modification Program. The Secretary, the Administration is the one that terminated those employees. We gave \$30 million to the Secretary, and she didn't hire them back. Your guys were demonstrating out here in the hallway until I stepped into the middle of it and started explaining it to them. For the remaining two or three weeks and the whole way through till we finished that legislation, your employees were up in my office

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      because they weren't getting the scoop from you. That is
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       one of the other issues. And since --
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                 REPRESENTATIVE NEILSON: Chairman, Chairman,
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       Chairman, Chairman --
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                 REPRESENTATIVE DUSH: -- both of you guys --
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                 REPRESENTATIVE NEILSON: -- we're getting way,
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       wav off.
                This is another --
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                 REPRESENTATIVE DUSH: No, this is --
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                 REPRESENTATIVE NEILSON: -- issue in itself.
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                 REPRESENTATIVE DUSH: This is why --
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                 REPRESENTATIVE NEILSON: This has nothing to do
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      with the written testimony or the bill on hand right now,
       and I'd respectfully ask -- because I've been --
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                MAJORITY CHAIRMAN KAUFFMAN: Well, the
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      testifier --
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                 REPRESENTATIVE NEILSON: -- working real
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      patiently is hard, too.
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                MAJORITY CHAIRMAN KAUFFMAN: -- opened the door
      when he chastised the Legislature for the problems in the
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2.0
      unemployment compensation system.
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                 REPRESENTATIVE NEILSON:
                                          This is --
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                MAJORITY CHAIRMAN KAUFFMAN: That's where it
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       started.
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                 REPRESENTATIVE NEILSON: This is not unemployment
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       compensation. That's not --
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                MAJORITY CHAIRMAN KAUFFMAN: Well, I know --
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                 REPRESENTATIVE NEILSON: -- what we're here to
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       talk about today.
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                 MAJORITY CHAIRMAN KAUFFMAN: -- but he's the one
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      who brought it up, not us.
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                MR. CATANESE: If I may --
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                 REPRESENTATIVE DUSH: Chairman, if I can address
      his issue --
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                 REPRESENTATIVE NEILSON: I just -- yes.
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                 REPRESENTATIVE DUSH: I can address your issue.
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                 REPRESENTATIVE NEILSON: Yes, I just want to
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       stick to this because I'm trying to -- and we're not even
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       getting --
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                 REPRESENTATIVE DUSH: I'm sticking actually to
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       it. Representative Cephas asked a specific question about
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      what other issues are causing members of the unions to not
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      want to be members.
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                 REPRESENTATIVE NEILSON: And that was the other
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      panel.
2.0
                 REPRESENTATIVE DUSH: And this is one of them.
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                 REPRESENTATIVE NEILSON: That was the other
2.2
      panel.
23
                 REPRESENTATIVE DUSH: And I'm going to --
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                 REPRESENTATIVE NEILSON: That has nothing to do
25
      with -- you could have followed up with that other panel to
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say, "Did you ever hear about this?" They wouldn't hear 1 2 about this. I mean, we're on a whole separate panel and you just had their testimony. Nothing in their 3 testimony -- nothing --4 5 REPRESENTATIVE DUSH: Steve is the one who 6 brought this up. 7 Now, to the second point --MR. CATANESE: Well, if I may --8 9 REPRESENTATIVE DUSH: -- the second part of this 10 is both of you guys --MR. CATANESE: May I respond at least --11 12 REPRESENTATIVE DUSH: Sure. 13 MR. CATANESE: -- to that portion of it. I'd be 14 happy to because I recall the moment that you walked down the hall to find our members because it was me that ended 15 16 up talking with you for a little bit. And as you claimed, 17 you tried to explain to them why things were going wrong. 18 The key thing you weren't doing at the time was listening. 19 I didn't blame any individual legislator but I blame the 20 General Assembly because it was the General Assembly that 21 did not pass funding. And it was the effort of our members 2.2 who were here lobbying every day to explain to every person

that was being done to Pennsylvanians every single day no action was taken.

in this General Assembly, especially in this body, the harm

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                MAJORITY CHAIRMAN KAUFFMAN: I can appreciate --
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                MR. CATANESE: So I believe very strongly --
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                MAJORITY CHAIRMAN KAUFFMAN: I can appreciate
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       that --
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                MR. CATANESE: -- that their right to organize --
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                MAJORITY CHAIRMAN KAUFFMAN: -- but you come to
 7
      the Committee --
                MR. CATANESE: -- in a workplace --
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                MAJORITY CHAIRMAN KAUFFMAN: -- that worked very
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      hard to get things done. So I take offense with that
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      because I worked very hard to make sure you guys were back
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      in your seats.
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                 REPRESENTATIVE DUSH: Absolutely.
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                MR. CATANESE: And to, again --
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                 REPRESENTATIVE DUSH: And you said if --
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                MAJORITY CHAIRMAN KAUFFMAN: So let's move on.
17
      And if we want --
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                 REPRESENTATIVE DUSH: All right.
19
                MAJORITY CHAIRMAN KAUFFMAN: -- strict behavior
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       in this Committee, we will stick to the issues. So move
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       on. Get to the questions. There will be no latitude if
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      that's the way Committee would like it.
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                 REPRESENTATIVE DUSH: All right. Mr. Chairman,
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      what I'd like to address is the reasons, as it was brought
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      up, why members should be aware of their rights not to.
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      And the question was raised what other issues. Since both
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       of you guys have members who are working in the
 3
       Pennsylvania Department of Corrections, where have you guys
       been while people's lives have been on the line? It was me
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       that organized family members and retirees, not using
 6
       active members simply because I want to protect their jobs.
 7
       You guys get paid for this kind of activism. Where were
       you? We've got your people, the people you represent
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 9
       getting sick from K2, fentanyl, carfentanil, and you guys
10
      have been silent. This is why your members want to --
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                MAJORITY CHAIRMAN KAUFFMAN: Hey, Cris, can we
12
      move on?
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                 REPRESENTATIVE DUSH: -- get out. It's not
14
       just --
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                MAJORITY CHAIRMAN KAUFFMAN: Can we move on,
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       Cris?
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                 REPRESENTATIVE DUSH: Thank you.
18
                MAJORITY CHAIRMAN KAUFFMAN: Do you have a
19
       question for the testifier.
20
                 REPRESENTATIVE DUSH: I want to know where you've
21
      been.
2.2
                MR. VAUGHAN: If I could, Mr. Chairman, I can't
       speak to the specifics of that right now. I would be happy
23
      to bring our staff member in who works directly with that
24
25
      bargaining unit and have them discuss our actions with you.
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1 REPRESENTATIVE DUSH: But this is why your 2 members want the latitude --3 MR. CATANESE: I do remember myself --4 REPRESENTATIVE DUSH: -- that Mr. Keith --MR. CATANESE: -- directly being involved in a 5 6 conversation last week to help make sure protective gear 7 was being given to our members so they were healthy. We were also discussing how we could better talk with and 8 9 notify more people and make sure that we know what's going 10 on in the shops so that we can advocate for what they need 11 to be safe. If you'd like to know what we're doing, we'd 12 be happy to tell you as well. REPRESENTATIVE DUSH: Well, there are a lot your 13 14 members who are asking me where have you been. MR. CATANESE: Tell them, feel free to get in 15 16 contact with us. We enjoy talking to our membership. 17 Thank you for the question. 18 MAJORITY CHAIRMAN KAUFFMAN: Representative 19 Snyder. REPRESENTATIVE SNYDER: Thank you, Mr. Chairman. 20 I want to thank the testifiers for being here today, and I 21 2.2 have a couple of questions for Steve and Jim. 23 Outside of the bargaining contract negotiations you do, what other kind of benefits do your members get? 24 25 MR. CATANESE: Are you sure you want to ask me?

REPRESENTATIVE SNYDER: I do.

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MR. CATANESE: It tends to get loud. No, so at least in terms of being members of the union, being a member gives you a say in every aspect of our process.

We're a democratically run organization. Beyond that, we try to work with different organizations to provide member benefits for insurance rates, things like that, to kind of help folks out. We also give them legal advice as needed from time to time depending on the situation and really work to help enforce the collective bargaining agreement, but I think that's the other part of your question you didn't really want answered.

MR. VAUGHAN: I'd agree --

REPRESENTATIVE SNYDER: Jim?

MR. VAUGHAN: -- with what Steve said. And some people think it might just be about liability insurance or free access to professional development, but what's really showing through -- and I alluded to it in my verbal comments -- was the fact that our members really appreciate kind of a sense of community and shared values and know that PSEA has their interests and the interest of public education at the forefront. And there's a real appreciation for that and that we respect the jobs that they do and try to provide them the support they need.

REPRESENTATIVE SNYDER: Thank you. And I would

just like to make some comments about what I've heard here today. I know my public-school teachers very well, and I know how hard they work. And, Representative Keller, your comments about what is their incentive if they're not being paid more, I can tell you firsthand that the public-school teachers that I know -- and I have eight school districts in my district -- not only are they dedicated, committed, knowing the budget constraints that we have in the State of Pennsylvania, they spend a lot of money out of their pockets to make sure that their students have what they need.

I see it every day. My daughter is a kindergarten teacher, and I know the commitment she has. It doesn't matter what she gets paid. That commitment is the same every day, and all of her fellow teachers and the teachers that I know are the same way. Our schoolteachers spend more time with our kids every day than we do as parents, so I respect what they do.

I would like to know from Jim and Steve how you felt when you heard Mr. Williams say you shouldn't even be here to testify today. How did that make you feel?

MR. VAUGHAN: I believe we were invited here. We have a right to testify, and I'm happy and proud to do it on behalf of our membership.

REPRESENTATIVE SNYDER: Well, I would just like

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to point out also, you know, the two-week notice by the
employers, you want to compare it to your union steward
asking you to sign a union card, not even in the same
ballpark. That union steward doesn't have the ability to
fire that employee or let that employee go.

So I want to thank all of you. It's no secret
how I feel about unions and the working people, and I will

So I want to thank all of you. It's no secret how I feel about unions and the working people, and I will continue to feel that way and be a strong advocate. Thank you.

MAJORITY CHAIRMAN KAUFFMAN: Representative Krueger-Braneky.

REPRESENTATIVE KRUEGER-BRANEKY: Thank you, Mr. Chairman.

For Steve and -- I want to ask a question to clarify something that was said in the previous panel. So for PSEA and SEIU, are member dues used for political contributions?

MR. CATANESE: No.

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MR. VAUGHAN: There's a prohibition against direct contributions to candidates.

REPRESENTATIVE KRUEGER-BRANEKY: There's a prohibition against direct contributions to candidates.

MR. VAUGHAN: Yes, and to that end, not to go down a rabbit hole, but fair-share fees were created to -- we are allowed to talk to our members about -- we call it

So

1 member-to-member advocacy about elections. In terms of the 2 fair-share fee, the costs of that were calculated and removed from the dues to arrive at a fair-share fee figure. 3 4 And we had that arbitrated from objectors for well over a 5 decade, and arbitrators agreed that our fee was properly 6 calculated each and every year. So for those quote/unquote 7 internal member purposes, those were extracted from fairshare fees, so those weren't going to support those 8 9 efforts. 10 MR. CATANESE: And just to echo that, I mean, we 11 have a similar process. We go through a similar auditing, 12 filing, paperwork's done every year to make sure the fee is calculated, and it was readjusted every year to be 13 14 reflected of the services we gave. REPRESENTATIVE KRUEGER-BRANEKY: So fair-share 15 16 fees are not or never have been used for political 17 contributions? 18 MR. CATANESE: No. 19 REPRESENTATIVE KRUEGER-BRANEKY: Okay. And, Jim, 20 PSEA was really under the microscope on the last panel. Do 21 you endorse Republicans as well as Democrats here in 2.2 Pennsylvania? 23 MR. VAUGHAN: Yes. 24 REPRESENTATIVE KRUEGER-BRANEKY: Actually, where

I live, sometimes it's more Republicans than Democrats.

your political support is not just going to members of one political party?

MR. VAUGHAN: [inaudible].

REPRESENTATIVE KRUEGER-BRANEKY: Okay. And the Janus decision at the end of June basically rolled back 40 years of precedent that supported the rights of workers to unionize. And I want to point out that this bill goes even further than that Janus decision. Payroll deductions from consenting nonmembers were not actually struck down by the Supreme Court, but this bill, House Bill 2571, would go even further and prohibit public employees from using payroll deductions for consenting nonmembers even if they wish to make a payment to the union.

Now, Representative Klunk mentioned in her opening remarks that there's 28,000 members who pay fairshare fees in Pennsylvania, so if this bill were to pass and we were no longer able to use payroll deductions, what would the cost of that be and what would the impact be?

MR. CATANESE: Go ahead first. Yes.

MR. VAUGHAN: That's hard to ascertain because I can't tell you how many of those nonmembers or former fee payers would choose to join and pay, so it's hard to put a concrete figure on that, but we could try to calculate it. But I can't sit here today and estimate what that would be.

MR. CATANESE: Basically a similar answer on that

1 as well. 2 REPRESENTATIVE KRUEGER-BRANEKY: And what would 3 the mechanism be for those nonmembers who want to voluntarily make a contribution. If there was no payroll 4 5 deduction, how would that payment actually get made? 6 MR. VAUGHAN: It depends upon what local they're 7 in within PSEA. We have direct dues set up within a small amount of our locals right now. Most likely, they could 8 9 write a check. 10 MR. CATANESE: And yes, for us it would have to 11 be a myriad of systems, whether it's writing a check to 12 direct pay system. I mean, simply, just like any employer, 13 we try to go for the simplest route. If someone freely 14 chooses to be a member, we go for the simplest way for them 15 to pay dues. If they choose to not be a member, their dues 16 deduction stops. So for us it generally ends up being 17 payroll. If it was not payroll, you know, it just makes a 18 situation that is intended to cause greater havoc. 19 REPRESENTATIVE KRUEGER-BRANEKY: Okay. Thank 20 you. 21 MAJORITY CHAIRMAN KAUFFMAN: Representative 2.2 Neilson.

REPRESENTATIVE NEILSON: In good spirit, Mr.

Chairman, I will try and stay on subject and point.

Thank you, gentlemen, for your testimony today.

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I don't have a whole lot of stuff. I appreciate your testimony. You talked about notification. You brought that up and who's going to pay for it, how's it going to happen, and you talked about the signs. Do you think it's right that the Legislature mandates all employers to notify — instead of doing signs, notify them for every little safety, every little OSHA sign that we mandate? We mandate child labor laws, all that stuff. Why you agree with this legislation and you say, yes, we should notify them of these rights, do you think we should mandate all Pennsylvania employers to mandate for all those signs in the back of your facility?

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MR. KNADE: Well, Representative --

REPRESENTATIVE NEILSON: Because we should do that every two weeks like this, right, or every week or whatever?

MR. KNADE: I think what I said was more along the lines of it's hard to argue that it's a bad idea to tell employees what their rights are. How that's done is another question. I can tell you that if you look at those — and fortunately, to make it easier for employers, the Departments of Labor and Industry at the State and Federal level will sell you these posters that have everything —

REPRESENTATIVE NEILSON: Wow.

MR. KNADE: -- that supposedly is mandated by law

1 in terms of notifications. You can --

2.2

2 REPRESENTATIVE NEILSON: For one low price of 3 like \$1,000 annually?

MR. KNADE: Fortunately, it's not quite that much --

REPRESENTATIVE NEILSON: All right.

MR. KNADE: -- but there is a cost to it. Any kind of notification has a cost to it. And I think it's helpful to understand we deal with notifications with students, too, and their families and annual notifications and the boilerplate -- have you looked at a school calendar lately with all of the boilerplate in the back about all the annual notifications? So I think it's worth more conversation about how to accomplish the goals of the bill in a way that's efficient and actually works, actually gets the message across. As I alluded to before, you could put boilerplate in a paystub, but that doesn't mean anybody's really going to read it every week or every two weeks I should say.

It's also helpful, I think, to keep in mind that employers of any kind, public sector or private sector, they don't deduct anything from anybody's pay if the employee does not provide an authorization for the payroll deduction unless it's one of the things like Federal tax withholdings and, you know, Medicare and Social Security.

1	So there are a number of things that are already
2	at work, and it may be best to piggyback on those to
3	actually ensure that when somebody provides that
4	authorization, the employer's not going to make a deduction
5	without, that might be probably a more efficient and
6	effective way to provide the notice that the bill
7	contemplates than sort of an every-two-week-boilerplate-in-
8	the-paystub kind of thing.
9	So I think that's worth a further conversation.
10	It's certainly not something that I think anybody wants to
11	try to nail down right now, but I thank you for your
12	question.
13	REPRESENTATIVE NEILSON: Thank you, Chairman.
14	That will be all for me tonight.
15	MAJORITY CHAIRMAN KAUFFMAN: Thank you,
16	Representative Neilson.

Representative Klunk?

REPRESENTATIVE KLUNK: Thank you, Mr. Chairman.

And thank you to my colleagues for joining us today and our panelists as well.

I just wanted to make a note that if I did misspeak earlier, I wanted to clarify that the bill does direct public-sector employers to inform nonunion members about the Janus decision. Just if I misspoke, I apologize.

But I first want to thank you, our union folks

who are here today, for your proactive nature and the School Boards Association in making sure that your employees knew about the Janus decision and were proactive in informing all of those members in all of the districts all throughout the State. I really do appreciate that.

I wanted to touch on a couple different things. I first wanted to reiterate that this payroll deduction, you know, taking that out is really important because we need to make sure that that employee, based on that Janus decision, affirmatively decides to contribute if you will that fair-share fee so that there's no question of whether or not the individual might change their mind and might not be able to get in there to say, hey, I don't want this, you know, to be deducted this week. I'm actually going to change that, and then you have to refund their money, you know, if it would be a proactively upfront -- do you guys -- actually, just a question to PSEA.

I'm assuming you have a mechanism on your -- do you have a mechanism on your website now to collect for political dues where you can go in and, you know, give your credit card information and make a political contribution to PSEA?

MR. VAUGHAN: For our --

REPRESENTATIVE KLUNK: On your website.

MR. VAUGHAN: -- political action committee?

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1 REPRESENTATIVE KLUNK: Yes. 2 MR. VAUGHAN: Yes. REPRESENTATIVE KLUNK: So if you're doing that 3 now for your political action committee, you could have an 4 employee who wants to provide fair-share fee money or 5 6 whatever, they could make that through your PSEA website? 7 So you have a mechanism to do that online, correct? MR. VAUGHAN: Right now, we have no plans to 8 9 collect voluntary fees from individuals. We view 10 nonmembers as potential members and would really prefer 11 they join the PSEA and become an active member. We don't 12 have plans to collect voluntary contributions from 13 nonmembers. 14 REPRESENTATIVE KLUNK: But you could, based on 15 the fact that you do have a mechanism on your website to 16 collect --17 MR. VAUGHAN: We could collect fees --18 REPRESENTATIVE KLUNK: -- other fees -- in any --19 MR. VAUGHAN: -- in any number of ways. 2.0 not how our business model is set up, to account for who is 21 a member and who is a nonmember at the local level because 2.2 PACE is a separate legal entity. So we could set it up, 23 but we are not set up for that. 24 REPRESENTATIVE KLUNK: Okay. But you could.

There's a mechanism to do that, so I wanted to check with

1 you on that. 2 In your testimony -- it's Jim? Jim or you go by 3 James? 4 MR. VAUGHAN: Jim. REPRESENTATIVE KLUNK: Jim, okay. My brother's 5 6 Jim and he doesn't like me to call him James. It's James 7 if he's in trouble. So, Jim --MR. VAUGHAN: It was for me, too. 8 9 REPRESENTATIVE KLUNK: Good. So in your 10 testimony you talk about -- and I know you had spoken about 11 it, too, you know, making sure that if we're going to 12 notify these nonunion members about, you know, their Janus 13 rights with fair-share fees, that you would prefer to also 14 let essentially all employees know that they could join a 15 union as well. So, you know, if we were to, you know, talk further about this, would you be in support of the bill in 16 17 concept if we would, you know, potentially move forward to 18 allow or to require the notification of Janus rights, as 19 well as the right to join a union? 20 MR. VAUGHAN: I believe the current requirement 21 is for nonmembers, and we're happy to talk about the 2.2 legislation further after this hearing. 23 REPRESENTATIVE KLUNK: So you'd be potentially on board if we would include all employees --24

I don't --

MR. VAUGHAN:

1 REPRESENTATIVE KLUNK: -- not just nonmembers, 2 including members of the union as well? 3 MR. VAUGHAN: We've not given consideration of that, and I don't have the authority. We're a small D 4 democratic organization, and our legislative positions are 5 6 taken from the ground up, so I cannot commit to that and 7 would have to take that back to our membership. REPRESENTATIVE KLUNK: That is certainly 8 9 something that -- you know, I know you testified on it, you 10 would be willing to have further discussions on? 11 MR. VAUGHAN: We're always willing to have 12 discussions. 13 REPRESENTATIVE KLUNK: Thank you. 14 MAJORITY CHAIRMAN KAUFFMAN: Thank you. Well, 15 unless I missed someone on that list, wave your hand now if 16 I did. 17 REPRESENTATIVE NEILSON: Second round? MAJORITY CHAIRMAN KAUFFMAN: You have to deal 18 19 with your colleagues there. 20 All right. Well, with that, we will adjourn this 21 meeting of the House Labor and Industry Committee. 2.2 you for the spirited afternoon, and I'll see most Members 23 tomorrow morning at 9:00 a.m. sharp. Thank you. 24 25 (The hearing concluded at 3:14 p.m.)

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