



June 17, 2015

Gov. Tom Wolf  
Room 225 Main Capitol Building  
Harrisburg, PA 17120

Dear Governor Wolf:

As you pursue massive tax increases on working Pennsylvanians and rebuke legislators and job creators for “[appeas\[ing\] oil and gas special interests](#),” I felt it necessary to point out your own appeasement of certain private, political special interests—the government union leaders.

This chart shows how your stances on major issues mirror those of government union leaders while contradicting the public’s wishes:

	UFCW	SEIU	PSEA	AFSCME	PFT	Wolf	Voters
Pension Reform	OPPOSE	OPPOSE	OPPOSE	OPPOSE	OPPOSE	OPPOSE	SUPPORT
Liquor Privatization	OPPOSE	OPPOSE	OPPOSE	OPPOSE	OPPOSE	OPPOSE	SUPPORT
Contract Transparency	OPPOSE	OPPOSE	OPPOSE	OPPOSE	OPPOSE	OPPOSE	SUPPORT
School Choice	OPPOSE	OPPOSE	OPPOSE	OPPOSE	OPPOSE	OPPOSE	SUPPORT
Higher Taxes	SUPPORT	SUPPORT	SUPPORT	SUPPORT	SUPPORT	SUPPORT	OPPOSE

**You oppose public pension reform.**

While your own company—like most Pennsylvania businesses—has transitioned from a defined benefit pension system to a defined contribution retirement plan, you parrot the same, tired, meritless arguments as AFSCME, PSEA, [SEIU](#), [AFL-CIO](#), UFCW, et al.

**You oppose liquor privatization.**

Whether Democrat or Republican, conservative or liberal, rural or urban, [Pennsylvanians want to end the government monopoly of wine and spirits sales](#), yet you [stand](#) with the [UFCW](#) and the positions of AFSCME, PSEA, SEIU, [AFL-CIO](#), et al.

**You oppose union contract transparency.**

While proclaiming to be open and transparent, [you](#) use the same arguments as AFSCME, [PSEA](#), [SEIU](#), AFL-CIO, et al, in opposition to bills that would provide greater public insight and accountability into the negotiations of billions of public tax dollars with these government unions.

**You oppose safe and effective educational choices for parents.**

Today, taxpayers spend more on public education than ever, and the 10th highest per-pupil expenditure in the nation, yet you demand higher taxes while denying children opportunities to attend better and safer schools, using the same arguments as the [PSEA](#), PFT, AFSCME, SEIU, [AFL-CIO](#), UFCW, et al.

**You support higher taxes on all Pennsylvanians.**

On the campaign trail, you promised a middle class tax cut, but your budget will cost every income group in Pennsylvania more of their hard-earned money, mirroring the priorities of your largest campaign supporters—[PSEA](#), PFT, [AFSCME](#), [SEIU](#), [AFL-CIO](#), UFCW, et al.

Is it coincidence or convenience that your positions on these critical policy issues are also the same positions of your largest campaign contributors? Other than your own borrowed funds, your election was primarily funded by Pennsylvania's government employee unions. All told, [you received more than \\$3.4 million from twelve government unions in 2014](#).

You also received additional indirect support from at least three government unions that [funneled \\$1.6 million to PA Families First](#), a [Super PAC established by the Democratic Governors' Association](#), which aided your election as governor. Presumably you will be heavily reliant on these same funders for your re-election efforts in 2018.

This is not about the rights of employees to join a union or let their union engage in electoral politics. Employees should be free to join—or not to join—any voluntary organization, including a labor union, and labor unions' political activity should remain protected speech.

I write to challenge you to demonstrate you are willing to take on special interests, reach across the aisle, and stand with the citizens of Pennsylvania on key issues like pension reform, liquor store privatization, education reform and school choice, and contract transparency.

Since you refused to acknowledge my request for a meeting, I am enclosing Commonwealth Foundation analysis on each of these issues. I look forward to your response.

Sincerely yours,



Matthew J. Brouillette  
*President & CEO*

CC: Members of the Media

## Exhibit A: Government Union Political Support of Governor Wolf

<b>Government Union PAC Contributions to Tom Wolf</b>	
<b>Union</b>	<b>Contribution</b>
PA Service Employees International Union*	\$988,388
Pennsylvania State Education Association	\$800,000
American Federation of Teachers (National)*	\$661,781
AFSCME (National)	\$500,000
UFCW (National)	\$180,000
Philadelphia Federation of Teachers	\$110,000
PA State Corrections Officers Association	\$100,000
AFSCME Council 13*	\$54,750
AFT Pennsylvania	\$27,500
Pittsburgh Federation of Teachers	\$25,500
PA AFL-CIO	\$7,650
Scranton Federation of Teachers	\$5,000
<b>Total</b>	<b>\$3,460,569</b>
*Includes "in-kind" contributions	

<b>Contributions to PA Families First</b>	
<b>Government Union</b>	<b>Amount</b>
American Federation of State, County, and Municipal Employees (AFSCME)	\$520,000
National Education Association (NEA)	\$560,000
American Federation of Teachers (AFT)	\$520,000
<b>Total</b>	<b>\$1,600,000</b>

## **Exhibit B: Parallel Positions of Gov. Wolf and Union Leaders**

### **Pension Reform**

[SEIU](#) asks, “Please give ACT 120 an opportunity to deliver cost saving benefits to Pennsylvania taxpayers.”

[AFL-CIO](#) says “The fact is that our public pension systems in PA are not facing a ‘fiscal cliff’, and there is plenty of time to allow the meaningful reforms of Act 120 to prove their value.”

Gov. Wolf [claimed](#) Pennsylvania has a “pension problem, not a crisis” and Act 120 should be given time to work, because “a defined benefit retirement plan is the most effective tool for ensuring that our public workers have a financially secure retirement.”

Yet PSERS and SERS are in worse shape today than when Act 120 was passed in 2010.

### **Liquor Privatization**

[UFCW's](#) Wendell Young claims privatization “would be a financial disaster for the state. Thousands of family-sustaining jobs would be lost and hundreds of millions in state revenue would vanish.”

[AFLCIO](#) says it “would be senseless” to privatize state liquor store, for “In addition to generating billions in revenue, the PLCB is responsible for 5,000 family sustaining jobs.”

Gov. Wolf has [said](#) that “trying to privatize state-owned liquor stores is inefficient and puts good paying, middle-class jobs at risk.” The governor’s spokesman stated, “The governor just [does not support privatizing](#) the liquor system.”

Yet privatizing Pennsylvania’s wine and spirits business would create more private sector jobs and produce greater revenue for the state.

### **Contract Transparency**

[SEIU claims](#), “Were these bills truly concerned with transparency, they would make public any budget negotiations, caucus meetings, and other behind-closed-door meetings.”

[PSEA](#): “It’s hard to believe how legislators who negotiate multibillion-dollar budgets behind closed doors can suggest that local school districts should make their confidential negotiations public...If legislators want to open every negotiation to whomever wants to see it, they should go first.”

Gov. Wolf’s spokesman [echoed](#) this sentiment, stating, “Are [legislators] going to subject themselves to Right to Know requests? Are they going to open up the legislative audit process to the public? Are they going to ban gifts?...This proposal is partisan.”

Yet providing greater transparency in how tax dollars are being negotiated certainly is the public’s business.

## Education Spending

[PSEA](#) falsely blamed Tom Corbett for “cutting nearly \$1 billion from public education and precipitating a school funding crisis that gets worse every year.”

[Pennsylvania AFL-CIO](#): “The Corbett Administration has cut \$1 billion in funding for public education over the previous two budgets.”

Gov. Wolf [promised](#) “the very first thing my budget does is restore the \$1 billion in cuts to public education that occurred under the previous administration. But this is not going to stop at simply reversing cuts that already took place.”

Yet expanding educational choices would cost taxpayers less and provide access to safer and better schools for tens of thousands of children.

## Tax Increases

[PSEA](#) and [SEIU](#) have demanded that Pennsylvania, as “the only major gas producing state to not have a tax on natural gas extraction,” should make drillers pay “their fair share” to invest \$1 billion back in education.

[AFL-CIO](#) has applauded the governor’s budget for “making sure corporations pay their fair share,” joining [AFSCME](#) in calling for “no more ‘Delaware loophole’ . . . they should pay their fair share.” Further, [AFL-CIO](#) has long stressed “the need for progressive reform of the tax system to ensure that everyone pays their fair share of taxes.”

Gov. Wolf has responded with a [budget](#) that seeks to fund education through a “severance tax that is projected to generate more than \$1 billion in annual revenues...we are the only major producer of natural gas that does not ask drillers to pay their fair share or provide a return on our resources.” Gov. Wolf has also [agreed](#) to “close the Delaware loophole and cut the corporate net income tax rate...ensuring that corporations pay their fair share.”

Yet if Pennsylvania is the next state to tax, borrow, and spend itself to prosperity, it will also be the first.