

Initiative #53
Limit Deductions from Public Employee Paychecks

1 **Amendment (?) proposes amending the Colorado Constitution to:**

2 ◆ prohibit any public employee paycheck deduction, except for:

- 3 • deductions required by federal law;
- 4 • tax withholdings;
- 5 • court-ordered liens and garnishments;
- 6 • health benefit and other insurance deductions;
- 7 • deductions for savings, investment, and retirement plans; and
- 8 • charitable deductions.

9 **Summary and Analysis**

10 A paycheck deduction is a specific amount of money withheld from an employee's
11 pay. Paycheck deductions can be mandatory (federal and state taxes); offered as an
12 employee benefit (health care and pension deductions); requested by the employee
13 (gifts to charities); or established through agreements with labor or other organizations
14 (automatic payment of dues or fees).

15 State law regulates paycheck deductions for state employees, but not for
16 employees of local governments. Instead, each local government sets its own rules
17 and, in fact, some local governments have adopted limits on paycheck deductions
18 similar to those in this measure. For the state and other local governments, however,
19 the measure prohibits certain paycheck deductions that are currently in place. The
20 limits established by this measure apply to all public employers in Colorado, including
21 the state, counties, municipalities, school districts, and special districts.

22 **Arguments For**

23 1) Amendment (?) prohibits governments in Colorado from collecting money on
24 behalf of labor or professional organizations that attempt to influence government
25 policymakers. A conflict of interest occurs when government payroll systems collect
26 money on behalf of organizations that, in turn, hire lobbyists and contribute to political
27 campaigns.

28 2) The measure protects employees from unwanted paycheck deductions. Some
29 public employers automatically deduct dues and fees for labor organizations.
30 Employees who do not want the deduction must take extra steps to prevent it.
31 Amendment (?) stops this practice and sets uniform protections for all public
32 employees in Colorado.

1 3) Amendment (?) eliminates an unnecessary government function. Public
2 employees do not need a paycheck deduction to contribute money to any organization
3 they choose. This service is readily available using automatic withdrawals from a
4 private bank.

5 **Arguments Against**

6 1) The measure interferes with the authority of local governments to decide which
7 paycheck deductions will be available to their employees. These decisions are best
8 made by individual government employers based on the needs of each local
9 community, not mandated by a statewide vote.

10 2) This measure is an unnecessary intrusion by the state into the ability of public
11 employees to make their own individual choices about paycheck deductions.
12 Currently, all public employees have the option to cancel an automatic deduction, and
13 many do so. For the remaining employees, Amendment (?) makes it more
14 inconvenient to contribute to organizations they support.

15 3) The measure singles out certain types of paycheck deductions for elimination,
16 while allowing others to continue. It is inconsistent to prohibit paycheck deductions
17 that benefit some private groups while allowing paycheck deductions that benefit other
18 private groups.

19 **Estimate of Fiscal Impact**

20 Amendment (?) does not affect state or local government revenues or
21 expenditures.