

Senate Commerce Committee

Angela Leach 271-3077

SB 11-FN, prohibiting collective bargaining agreements that require employees to join or contribute to a labor union.

Hearing Date: January 10, 2017

Time Opened: 1:00 p.m.

Time Closed: 5:30 p.m.

Members of the Committee Present: Senators Innis, French, Sanborn, Soucy and Lasky

Members of the Committee Absent: None

Bill Analysis: This bill prohibits collective bargaining agreements that require employees to join or contribute to a labor union.

Sponsors:

Sen. Reagan

Sen. Avarad

Sen. Birdsell

Sen. Bradley

Sen. Daniels

Sen. French

Sen. Gannon

Sen. Giuda

Sen. Gray

Sen. Innis

Sen. Morse

Sen. Sanborn

Sen. Ward

Rep. McGuire

Rep. Spillane

Rep. Dean-Bailey

Rep. L. Turcotte

Rep. Itse

Senator Reagan (Prime)(Support) Has been a dues paying union member for 50 years, and continues to pay after 18 years in retirement. Believes everyone should be in some sort of organization if they want their voice heard, doesn't believe that as a requirement for employment you should be forced to pay for that. Entitled to have your job, entitled to organize. The bill requires every employer in the state of NH exemption federal employees for requiring a payment to have a job.

Representative Len Turcotte (Support) 32 years ago was hired by American Airlines and became a member of the Allied Pilots Association representing 15,000 plus pilots, when you joined you paid union dues, if you did not you did not pay union dues. At that time, 99 percent of the pilots joined the union without pressure. Paid 1 and 1 ½ percent of my salary to the APA in the form of union dues. I considered it a financial tool. I see how my union dues were used because I spent 8 year working full time for the pilot's union negotiator. I was a union representative for 550 pilots. If I feel that the money I gave to the union each month was not giving me an adequate investment, I should have the freedom and individual choice to discontinue paying union dues. Over 70% of the citizens of NH support right to work, a majority of the union members in our state support right to work. In the NH House, there are two other members who belong to the APA and each support right to work.

Representative Mark Mackenzie (Opposed) Defended against right to work since 1983 as the President of the AFLCIO. Since that time the arguments have been the same. There is no such thing as compulsory union, you are not allowed by federal and state law. It is a contract that employee and employers sit down and figure out. Has negotiated contracts for over 30 years. Never did we think the state of NH would eject itself into collective bargaining. It is wrong for the state.

Representative Douglas Ley- (Opposed) Current president of American Federation of Teachers. Agency fee are a recovery cost payment which helps defray the cost of negotiation. Can have a good relationship with an employer but constant questions come up which requires investment of time and resources to resolve. The employer also incurs costs to negotiate and enforce the collective bargaining agreement. They recover their costs by incorporating them into the operating expenses of the University. In keeping with state and federal law no one is required to join the union but all must contribute in some form as mandated by collective bargaining agreements. Always has been an agency fee obligation, no one has been declined employment. To pass this legislation, it will only interfere with the freedom to negotiate and tries to resolve a problem that doesn't exist.

Val Zanchuk (Support) President of Graphicait a manufacturing company. Pays average yearly wages of over \$40,000 and \$12,000 in benefits. In manufacturing, growth is happening in right to work states which is a disadvantage for NH. Passing right to work, we'd be the only one in the Northeast which would give us a distinct advantage. Studies have shown that wages are the same in right to work states and non-right to work states.

Tom Sullivan- (Support) Vice President of the Newport NH operations for Sturm, Ruger and Company, Inc. Allows NH to distinguish itself from its local neighbors who are not right to work states. Promotes personal freedoms for the worker. And help attract NH businesses and promote itself as a good place to do business. Ruger was looking for a place to expand, one of the requirements was that it be a right to work state, and NH didn't make that list. 75% of companies looking to relocate, cite right to work as an important factor in making that decision.

Mark Hounsel (Opposed) One of the three labor representatives of the NH Public Employee Labor Relations Board. This bill legalizes stealing. Was the prime sponsor of right to work in 1995, regretted that. Since that time has tried to make amends and has testified 16 times against right to work. The labor board works wonders for the workers. They listen to both sides and help negotiate. Restricts public employees to find justice, this will hinder that. This is government getting involved with businesses.

Representative Dan Itse (Support) Three options with businesses, no union in a business, open union like the pilots union where you can belong or not belong or one that is prescribed. That's a choice. This is what businesses should be able to choose. We should not prescribing how businesses do their business that is why I support right to work.

Representative JR Hoell (Support) As an employee you are compelled to join the union or give 59% of whatever the union dues are to participate for collective bargaining. Individuals should be compensated for how well they do their job.

Larry Preston (Opposed) Small business owner with 9 employees. Will not affect his business directly, only hinder the ability to grow his business. Will hurt unions, hurt workers. Will encourage workers to leave this state. Businesses in the service industry need workers that are paid enough. The intended purpose of this bill is to lower wages for employees.

Representative AL Baldassaro (Support) - Father was a teamster. No one should ever be forced to take money out of their own pocket. If they are a good union this bill shouldn't be a problem.

Bobby Jones (Opposed) President of Local 3657 with over 300 members across the state that work in the house of corrections, police departments and Sheriff departments. This legislation does nothing more than insert government where it isn't needed. Studies have shown that these laws depress wages and reduce benefits for all workers.

Matt Leen (Supports) Vice President of the National Right to Work Committee. Under current law in NH, employees who never requested union representation can be forced to accept a labor union as their bargaining agent and forced to pay for representation they never requested and do not want. Despite what the union leaders have stated, federal law does not require them to represent all workers. They are perfectly free to negotiate a contract that only sets the terms and conditions for their voluntary members. Compulsory unionism sets the stage for most the abuses of union power.

Dennis Caza (Opposed) President of Teamster Local 633, NH tied with South Dakota with lowest unemployment. Companies are struggling to find skilled workers and to pay high electrical rates.

Jim Roche (Support) - President of the Business and Industry Association. May be the most important economic development legislation considered this session. Manufacturers check states right to work status when research for expanding or relocating. Making NH a right to work state will help counter balance high electrical energy costs, high business taxes and high healthcare costs. NH already ranks among the highest with median household and per capita income. Research shows that right to

work states experience growth and income nearly double non right to work states.

Senator Soucy asked if he stated that passing right to work would balance out the high electricity costs and health care costs.

Jim Roche stated he did not say that, but passing right to work in NH will help counterbalance those.

Senator Soucy asked was your membership polled to take this position.

Jim Roche replied it is a 5 month long process including board meetings, annual retreats and voted on by the board of directors.

Steven Soule (Opposed) Business Manager of Brotherhood Electric Workers- more than 4000 members in NH. The members are critical to NH economies. Government has no business interfering with a private business negotiating with their employees. It is 100 percent participation which means the members are satisfied with the unions. The union is a living proof our how a well negotiated contract can benefit businesses.

Senator Lasky- How long did you say you have been in business? And has it always been 100 percent participating.

Steven Soule- Since 1971 and Yes.

Senator D'Allesandro (Opposed) Was a teamster, worked at Wonderland Park, If it wasn't for the unions wouldn't have made a decent job or had a decent wage. Wife walked the picket line for 17 weeks, one of the reasons the unions are so important, when the Manchester mills took advantage of their employees, they were paid \$1 per day, we do not want those days back in NH. Decent wage, decent benefits for a job well done. That has been the case for this state for a long time.

Gregg Moore (Support) State Director for Americans for Prosperity- What does right to work mean, since then there have been several changes since 2011, it had been 30 years since the passage of right to work. Studies show that the states that passed right to work have a tremendous jump in the MEI as a result more jobs and higher wages in those states.

Richard Laughton (Opposed) Business agent for Teamsters Local 633 and a Labor Representative on the NH Public Employee Relations Board. This bill is an attempt for out of state interests to impose their national agenda on the state of NH. Companies all over NH are trying to find employees to fill thousands of job openings. Teamsters 633 represent both public and private sector employees. Represent over 100 different groups with labor contracts in NH. There is no shortage of jobs for those willing to work. The State Prison system has 100 unfilled positions causing thousands of hours of overtime each month. One of reasons businesses don't come here is because we have some of the highest electricity rates in the country. Why is it fair for the majority of workers to pay for negotiating a contract and another group reap the benefits and not pay for them? Federal law and National Labor Relations Board rulings say that a labor union must represent all members of the bargaining unit. Why should the fellow employees, the union have to provide services for those who don't pay for that service?

Senator Sanborn- Deep appreciation for fairness, collective bargaining is a big issue but if this bill were to pass, it would still require unions to continue under collective bargaining based upon that would you support eliminating collective bargaining.

Mr. Laughton- Absolutely not, I would never support eliminating collective bargaining. And we have to represent those that choose to freeload that's what the law requires.

Tom Thomson (Support) Tree Farmer, Honorary Chair for AFP, 27 states have enacted right to work. Would be an island in the Northeast which will be great for our economy. Sturm Ruger choose to expand their business to North Carolina, choosing not to expand its facilities in NH.

Glenn Brackett (Opposed) Labor Representative of the NH Public Employees Labor Board- Currently serve as the president of the AFLCIO. Elected representative, rationalize and legalize, big money out of state special interest groups. This fraudulent legislation no one should be required to pay, but only apply to union bargaining. This workers freedom only apply to unions. Lawyers cannot practice without being a member of the bar, but they one effected by the freedom legislation, Physicians cannot practice without being a member of the AMA. Discriminates against our freedom. Has nothing to do with workers or attracting businesses to NH. Defies logic and common sense, and is a mockery of our constitutional freedoms. Theft, deceit and loss of freedom of NH values. We will fight passionately for our beliefs support your constituents and say no to government interference.

Senator Andy Sanborn- giving people freedom, 10 years ago when I made a decision to run for public office, two of your buddies at your local union decided to come into my business and in front of my wife and employees physically threaten me, was that freedom.

Glenn Brackett- I have no idea what you are taking about.

Jeff Kibby (Support) Small business owner in Merrimack. It is part of newly elected Governor's priorities. Going out to neighboring states to recruit businesses.

Adam Marcoux (Opposed) President of the Nashua Teachers' Union. As president was elected to provide a service to the teachers, para educators, secretaries and food service workers in the Nashua School District, to negotiate a contract for over 1500 employees. Required by law to represent an employee in disciplinary proceedings, file grievances on behalf of employees and like other businesses or services, charge a fee for said service in the form of union dues, or for non-union members, agency fees. This legislation would allow non-members to no longer pay agency fees but still be afforded the benefit. We are all charged a service fee to use the Everett Turnpike (road tolls) or to park the car on Main Street, I expect people that benefit from my services to pay their fair share.

Wendy Black (Support) Sole provider for her family. Worked entire life, working in a school. All of sudden she was required to pay an agency fee which is very expensive for me.

McKayne Boedeker (Supports) Executive Director of New England Citizens for Right to Work. From 2005-2015, private sector, non-farm job growth was a mere 4.1% in NH and 10.4% in all forced unionism states, right to work states enjoyed 14.5% job growth. Area Development Magazine's survey has found 50 to 80% of business leaders and site selection consultants consider a state's right to work status important in their decision. Residents of right to work states enjoy roughly \$2200 more in average COLA disposable income per year.

Katherine Marshall (Opposed) Registered Nurse and union member in Massachusetts. With unions you are given better wages, better benefits and working in safe environment Poor benefits and deteriorating working conditions in other states without the benefit of the full union power. Believes in fairness and understands that as a citizens needing to pay taxes to ensure her family benefits from basic protections from arm forces, fire and police departments and a functioning court system. Enhancing and protecting advocate safer and medical care conditions.

Judy Stadtman (Opposed) Campaign Coordinator for NH AFLCIO. If right to work is a proven strategy for economic stimulus then we would see the state of Mississippi which became a right to work state in 1954 would be leading the nation instead of scoring near the bottom. Right to work laws consistently reduce wages for full time, year round works by an average of \$1558 per year. Right to work with do more harm than good.

Lou Garage (Opposed) Gilmanon- This is trojan horse legislation and it will begin destroying an important organization that defends all the workers.

Bruce Berke (Support) NFIB represents nearly 1500 small businesses throughout the state and the members have consistently supported the individual workers right to decide whether he or she wishes to be part of a union or not. Studies in states that allow right to work perform better economically than states that require union membership in workplaces that are organized. People and businesses are moving to states where they have a right to work rather than being encumbered by unwanted union involvement in their work life. Economist, Richard Vedder's work showed that workers in right to work states experienced 23% increase in per capita income.

Matt Davis (Opposed) Correctional Officer. The intent of the bill is to stop all funds to unions. As correctional employees our jobs is high in stress and weak in pay. Puts lives and inmates at risk.

Steven Burk (Opposed)- President of NH Building and Construction Trade Council which is the state's largest membership organization advocating for workers in NN's construction industry representing more than 2000 construction workers. A top priority is to ensure all NH construction workers earn a living wage, earn benefits and work in a safe environment. Research shows that right to work laws are associated with a 22.2% annual reduction in earnings for construction worker and a 1% annual decline in construction employment. Right to work laws are associated with increased workplace fatalities, the rate of death on the job in the construction industry are 28% higher in right to work states than in non-right to work states. Construction employment is 15% lower than it was before the Great Recession which is 4000 fewer jobs in this industry.

Janice Kelble (Opposed) Retired Postal Worker and a single parent that appreciated the unions for negotiations of benefits. The benefits attained by the union are the reason that people seek career positions working for the postal service. Casual wages were far less than wages for bargaining unit employees even though they often perform identical work. Working for the postal service is like working in a right to work state, people who choose not to join the union are not required to pay any share of the cost of negotiations. Most postal workers do join the union but there is resentment caused

by the people who take advantage of us by enjoying the same benefits with no cost to them. This division does not benefit the workers or the employers and certainly does not increase productivity. People should contribute to the costs of services they receive. People have a real right to work in NH, they have a right to choose to work in a union shop or a non-union shop.

Susie Nord (Opposed) NH Coalition for Occupational Safety and Health. This Legislation has a direct negative effect on workplace factors – fatalities, worker safety. When employees have a voice, the workplace is safer. When they do not, workplace safety is not guaranteed. Unions benefit employees, their employers, and the community as a whole. Unions increase wages and benefits, as well as workplace safety.

Richard Gulla (Opposed) President of the SEA- 10,000 members of the SEA. Recycled bill pushed by out of state special interests. Previous legislature killed this bill, same bill year after year. Takes away rights of businesses. On page 3 of the bill, could charge an employee with possibly jail time. SB 11 does not help the economy but lowers wages for employees. No one is ever forced to join a union.

Representative Knirk (Opposed) shouldn't receive the benefit of an organization without paying their fair share. Very unfair.

Phil Hatcher (Opposed) - Member of the faculty union at UNH, faculty union which began in 1990. Some faculty grumble about paying their agency fee but it is not an issue of freedom, it is an issue of responsibility. On April 15th many people grumble about paying their taxes but they have the responsibility to pay their fair share, workplace union are the same. When your colleagues organize into a union, you may not like it and you may vote against it, but if you lose, you should respect the decision and you have a responsibility to support the union and pay your dues.

Katie Lajoie (Opposed) 31 years worked as a Public Healthcare Nurse. Bipartisan coalition community leaders, developed an opportunity index for all of the states, NH ranks 3rd. 16 of the lowest ranking states are right to work states. Seeks to weaken the ability of working people.

Anna Brown (Neutral) Citizens Count NH- Nonprofit, nonpartisan organization making it easier for citizens to engage with their government. Inform citizens of upcoming bills and ask them to share their opinion on social media. Asked the question on facebook page, summarize those 417 participations. 3/5ths opposed right to work.

Cheryl Cizewski (Opposed) – If passed, right to work will undermine the rights of workers, it excuses workers from having to pay their fair share for workplace representation.

Tess George (Opposed) Professor at UMASS- Proponents of this bill state the problem is people are forced to join a union, no one is forced to join a union. However unions are forced, by law to represent everyone in their union, and everyone in the union shares in the benefits and wages won by collective bargaining. Have not heard of one business leader, HR Specialist talk about right to work. However business leader's workers do worry about finding enough talented, trained workers to hire. The real intent of this bill is disempower and defund unions.

Carol Backus (Opposed) President of the Granite State Organizing Project, a faith based organization working to improve communities throughout the southern part of the state. 40,000 families attend the faith based institution. Employers are finding that they cannot fill positions, the bill does nothing to raise wages, nothing to develop a strong caregiver workforce and nothing to address the high cost of healthcare and housing. NH is one of the top 5 states to live in, but 15 of the 20 right to work states have low wages, high crime rates, high unemployment and dropout rates.

Larry Browne (Opposed) Former State Representatives- Where are the 30,000 people whose rights were impeded by a union.

Jim McBride (Opposed) Retired UAW Worker- this bill would outlaw fair share clauses in union contracts which does nothing to create jobs or advance decent employment. It is designed to undermine workers' pay and benefits and weaken collective bargaining. If you support NH's Libertarian streak and believe that government should not dictate to businesses how they should run their internal affairs then you would vote no on this bill.

Gail Kinney (Opposed) Pastor at Meridan Congregational Church- the main purpose of right to work is to weaken workers who come together. Heard that this a massive economic tool for NH, wrong. Keep government out of the rights of businesses so that they can negotiate the way they wish with their own employees for the benefit of their business.

Senator Gary Daniels (Support) Need to put in place pro economic growth policies that attract businesses and create jobs. This bill is about Individual freedom in the workplace, it guarantees that no person will be forced to join or not join or pay compulsory dues or fees to a union. Years ago union

officials asked Congress to pass a law that required unions to represent all employees that were subject to a union contract, called the Wagner Act of 1935 through a concept called exclusive representation, ever since unions have used exclusive representation as justification for forcing employees to pay mandatory dues or fees as a condition for an employee to keep their job. Unions argue since they must represent everyone, everyone should pay the union. In 1947, Congress recognized the compulsory nature and passed the Taft Hartley Act which enabled each state to pass right to work. Other organizations carry on activities which benefit people who do not contribute financially to that organization such as fraternal organizations, veterans, organization, churches, civic and political organizations. No other private organization has the power to force membership on people except labor unions. The largest industrial relocation firm, the Fantus Company stated approximately one half of all industrial firms use the presence of right to work criteria in their site search process.

Sarah Hersh (Opposed) President of the UNH Lecturers United Union- concerned about this bill- clear to me that an attempt to bring this bill up so early in the session is an attack on unions because unions tend to make donations to PACS that do support the other political party. This union does not support any political candidate. One achievement at the negotiating table an attempt that our members and agency fee payers are fairly evaluated by their supervisors which attracts good quality employees.

Lawrence Beemer (Opposed) UNH Lecturer. No data presented this afternoon suggests that this bill needs to be passed. The sole purpose of this bill is to weaken unions.

Professor Siobhan Senier (Opposed) College of Liberal Arts at UNH is the poorest school. Would have taken a pay cut if it wasn't for the union. The University does not want to pay professors. Will not create jobs in the public sector just another insult on the public sector.

Jay Ward (Opposed) representing the SEIU, Never once heard from a business owner of why right to work is so important to them. Is it because they are anti-union- they want low wages, no one is forced to become a member. This bill would say to the owner you are not free to negotiate the wages with your employee.

Arnie Albert (Opposed) Co Director of the American Friends Service Committee. Going back to 1922, the American Friends Service Committee provided humanitarian assistance to unemployed coal miners, have assisted working people who have sought to better their lives and working conditions. According to the NH Housing Finance Authority, the median rent for a two bedroom apartment in NH is \$1206, which means it takes \$48,000 a year to afford a typical apartment which is more than three times a worker makes at minimum wage. This bill is about undermining the ability of working people to organize among themselves and bargain collectively with their employers, making it more difficult to organize would force down the wage levels of all working people in NH. The ability to pay taxes to support schools would be diminished, the housing crisis would intensify, and more people would seek public assistance.

Glenn Kingsbury (Opposed) Manager of the NH Electrical Contractors Association. Opposes all regulations that infringes on rights to run businesses. Voluntarily join together and bargain with IBW because it is in the best interest for the most qualified work force. Unnecessary, unneeded intrusion into our business.

Gary Fink (Opposed) – Independent small business owner. This bill attacks collective bargaining which is a level playing field for everyone in our society. Proponents of this bill want to break labor unions, middle class families, this promotes low wages and low benefits, and increase inequality. NH General Court is driving jobs out of the state.

Jerome Martin (Opposed) State Employee- 28 year member of the SEA. Would like to know how many public sector jobs this is going to create. Hasn't heard one single business this is going to effect. The businesses we have here are not worried about right to work. They want a qualified work force. We need to raise the minimum wage to 15 dollars per hour.

Janet Shaffer (Opposed) Warner currently retired. North Carolina, Sturm Ruger received financial incentives to go the North Carolina. \$1,796,000 for them to move to that state and also received \$9.6 million in job grants. As you think about economic development, NH doesn't offer that financial incentive for businesses to come here.

Diana Lacey (Opposed) Former President of the SEA. Given you many reasons to ITL this bill. Right to work is a \$2.8 million organization, there contributions are tax free. Creates a new financial burden on union members to subsidize the workers who won't pay. BIA would not allow the SEA to join them, because the BIA is discriminatory against unions. Where are the businesses going to make up the profit

margin for higher electricity bills, lower wages. The majority of the people vote to have a union and the majority vote on the contract.

John Terninko (Opposed) if you don't want to support a union, you don't need to work for that company.

Katherine Talbot (Opposed) single mother, needed the unions to fight for her wages and benefits.

Sarah Dustin (Opposed) - If right to work passes then the workers' wages will be lowered. Since 1973, the average hourly wage of US employees has stagnated or fallen against inflation. In the current fragility of our economy is due to the cumulative effects of the decoupling of real wages and real productivity.

Diana Richard (Opposed) Member of the SEA, been able to save the state of NH for years. The fair share has been an option for us for several decades. Well aware of the coercion that goes on, if any one is intimidated by leadership to vote for this bill, shouldn't be in the legislature. Be the voice of the people that came before you today.

Future Action: Ought to Pass

AJL

Date Hearing Report completed: January 13, 2017