

Senate Commerce Committee

Aaron Jones 271-2609

SB 516-FN, relative to prohibiting collective bargaining agreements that require employees to join a labor union.

Hearing Date: March 19, 2024

Time Opened: 9:21 a.m.

Time Closed: 10:54 a.m.

Members of the Committee Present: Senators Gannon, Ricciardi, Innis, Soucy and Chandley

Members of the Committee Absent : None

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

Sponsors:

Sen. Gannon

Sen. Bradley

Sen. Innis

Sen. Ward

Sen. Abbas

Sen. Gendreau

Sen. Murphy

Rep. Weyler

Rep. Harley

Rep. Bernardy

Who supports the bill: 24 individuals were in support. Full sign in sheets are available upon request by contacting the Legislative Aide, Aaron Jones (aaron.jones@leg.state.nh.us).

Who opposes the bill: 522 individuals were in opposition. Full sign in sheets are available upon request by contacting the Legislative Aide, Aaron Jones (aaron.jones@leg.state.nh.us).

Who is neutral on the bill: No one

Summary of testimony presented in support:

Senator Bill Gannon

- In the House, similar legislation was indefinitely postponed.
- This bill would protect freedom of choice by prohibiting collective bargaining agreements that require employees to join a labor union.
- Senator Gannon said an individual should not have deductions made from their pay unless they have chosen to do it, and their dues should not be used for purposes they oppose.

- Labor unions could represent their members, while allowing non-members to bargain for themselves.
- Senator Gannon said states with Right to Work have seen significant benefits as most new companies form in them.

McKayne Boedeker, Executive Director, New England Citizens for Right to Work

- Mr. Boedeker said freedom of association protects workers from being compelled to pay union dues or fees without their consent.
- Presently, a union can have ultimate bargaining power over dissenting workers, which takes away their right to negotiate for themselves.
- This bill would allow workers to decide whether a labor union deserves their financial support.
- Without these protections, Mr. Boedeker said there would be little incentive for union officials to offer good services to their members. He said good unions do not need forced dues, and bad union do not deserve them.
- This bill would help the economic outlook of New Hampshire.
 - From 2012 to 2022, the number of people employed grew 6.7 percent compared to 8.6 percent in other non-Right to Work states. Right to Work states, however, had a growth average of 15.7 percent.
- According to *Area Development Magazine*, surveys have found that 50 to 80 percent of business leaders and site selection consultants have considered a state's Right to Work status to be important or very important.
- On average, and adjusted to cost-of-living, employees in Right to Work states have \$2,600 more in disposable income per year. This is equivalent to more than \$10,000 in purchasing power for a family.

Aubrey Freedman

- This bill would honor individuality by allowing employees to directly negotiate with their employer.
- Since individuals bring different skills, Mr. Freedman asked why they should be paid the same.
- Since the *Janus* decision, union membership has held steady. Unions were forced to work harder to hold their memberships; however, Mr. Freedman said worker freedom was a good thing.

Greg Moore, Regional Director, Americans for Prosperity

- Mr. Moore offered anecdotes to the Committee on this issue.
 - There was a union shop where individuals received defined contributions, while another group received undefined contributions. When negotiations occurred, union leadership went with another program at the expense of those who received defined contributions.

- If this bill were passed, employers would shift their business to New Hampshire. Often times, bargaining units negotiate with seasoned veterans. This creates a recruiting problem, especially among younger workers who are paid less. As a result, there is an imbalance within the workforce.
- When Mr. Moore worked for the Department of Health and Human Services, the state implemented an agency fee. An employee was upset because money was taken out of their paycheck to pay for the agency fee.

Summary of testimony presented in opposition:

Glenn Brackett, New Hampshire AFL-CIO

- The House has rejected similar legislation in 2019, 2021, and 2024.
- Recently, Governor Sununu said “there is no need to pursue additional legislation when it comes to Right to Work.”
- Mr. Brackett said this legislation has been repeatedly defeated because legislators understand the government does not need to intrude on private business-to-business contracts.
- Through apprentice programs, individuals are trained for 5 years to become qualified. No resources are given by the state or federal government for these programs; instead, employers agree to split the cost of training through a signed contract.

Kim Hokanson, Regional Manager, North Atlantic States Regional Council of Carpenters

- Ms. Hokanson said the objective of this bill was to financially destabilize unions.
- This bill would not enhance the freedom of workers; instead, it would undermine unions by eliminating the sharing of costs associated with union negotiation and representation.
- This bill would jeopardize the ability of businesses to freely negotiate contracts in their best interest.
- Right to Work states have seen wage rates 7.5 percent lower than their counterparts.
- Ms. Hokanson believed this bill was detrimental to businesses, workers, and the overall prosperity of the state.

Tom Eaton

- If this bill were passed, Mr. Eaton said individuals would continue to work out-of-state.
- It would be financially unsustainable for a local union to support its members who have opted out of dues.

- A recent survey found health, safety, and economic concerns in 9 Right to Work states (Alabama, Arizona, Arkansas, Florida, Kansas, Missouri, Nebraska, Oklahoma, and Tennessee).
 - In these states, the lowest uninsured rate was 7.1 percent and the highest was 13.8 percent. Nationally, the 11 highest uninsured rates are in Right to Work states.
 - In New Hampshire, the uninsured rate is 6.3 percent.
 - For workforce fatalities, 8 in the Top 10 are Right to Work states. In 2022, Florida had 307 fatalities and Texas had 578 fatalities.
 - In 2022, there were 19 workplace fatalities in New Hampshire, 7 in Rhode Island, and 11 in Vermont.
 - Among these states, they ranked from 21st to 49th in most educated.
 - New Hampshire ranked 8th in most educated.
 - In these states, poverty rates range from 10.8 percent to 19.4 percent.
 - New Hampshire ranked 5th in having the lowest poverty rate.
- Mr. Eaton said New Hampshire and New England are a good place to work, live, and raise a family. In contrast, individuals in Right to Work states have a lower quality of life.

David Spechuilli, President, New Hampshire Building Trade and Construction Council

- Workers in this trade obtain skills and expertise through years of education and job training. Training is provided at no cost to taxpayers. Mr. Spechuilli said this bill would destroy these mechanisms.
- The unions who make up the Council have created a system to staff projects of all sizes with workers who have received years of training in their fields.
 - In Manchester, for example, these workers are being sought after for the construction of a new biofabrication facility specializing in regenerative tissue and organs.
- If this bill were passed, Mr. Spechuilli said it would strip workers of protections provided to them through agreements, lower their wages, and endanger their safety and health.
- Mr. Spechuilli emphasized that the state should not interfere with business decisions.

Phil Leary, Vice President, New Hampshire Building Trade and Construction Council

- Mr. Leary said paying dues was no different than any other membership fee.
- Mr. Leary said Right to Work was more about breaking organized labor and strengthening corporate control. In most developed countries, he said employees have more say in their working conditions. In America, however, the owner controls the workplace dynamic.

- In Right to Work states, Mr. Leary said employees make \$10,000 less a year while CEOs get 320 times richer.
- Unions compose 7 percent of the workforce, and about 4 percent in the field of construction.
- Employees in Right to Work states have less access to healthcare, higher rates of poverty, and the risk of a workplace fatality is 49 percent higher.

Billy Lang, Business Agent, Painters & Allied Trades

- In his industry, Mr. Lang said he has been able to establish a career. He said the state did not need more jobs, which are lower paying; instead, it needed more union careers. He said careers have an end point with dignity whereas a job does not.

Reverend Dr. Gail Kinney, Economic Justice Group, NH Conference of United Church of Christ

- Dr. Kinney submitted letters to the Committee from clergy throughout the state who are opposed to this bill.
- This bill would prohibit the inclusion of a clause in a collective bargaining agreement that all employees would pay dues or provide a modest share to cover the cost of administering the contract.
- Presently, an individual can opt out of paying dues on religious grounds.
- Dr. Kinney said this is in the best interest of employers, so their workforce feels more cohesive and unified. She also said there is no employer in the state that has a union who did not agree to it.
- In the 1940s, Right to Work came from the Jim Crow South. As African American employees began to unionize, white workers were encouraged to not pay their dues. With division created, they were not powerful enough to negotiate their wages, benefits, and working conditions.

Jan Schaffer, Civix – New Hampshire AFL-CIO

- Unions in the private sector are governed by the National Labor Relations Act (NLRA). Unions in the public sector are governed by the state. Under the NLRA, Right to Work is permitted.
- Employers are not required to bargain with a minority union. To establish a bargaining relationship, an employer has to voluntarily agree or a union has to show majority support through an election.
- In the South, employers are offered tax breaks to incentivize them to relocate.
- Ms. Schaffer said unions are democracies, and they are among the most regulated organizations. If an employee would like to run for the bargaining committee, they are able to.

Claudia Istel, Economic Justice Group, NH Conference of United Church of Christ

- Ms. Istel said Right to Work went against state culture, business practices, and freedom.
- When their companies are unionized, employees have better training and safety conditions.
- According to the New Hampshire Policy Institute, about half of employees earn less than a living wage and over a quarter have difficulty meeting daily expenses. Low wages can lead to food and housing insecurity, poor health and educational outcomes, and reliance on public assistance. If this bill were passed, Ms. Istel said these issues would be exacerbated.
- As the population of New Hampshire ages, Ms. Istel said it would be important to retain young people through good paying jobs.
- **Senator Gannon** asked if the earning comparisons were gross income or adjusted for cost-of-living.
 - **Ms. Istel** believed it was both.

Debrah Howes, President, American Federation of Teachers New Hampshire

- This bill would interfere with negotiated agreements between employers and employees.
- There is no fair share or agency fee agreement put in place without an employer benefitting from it. This provides employers with a professional, trained, and safer workforce. Employees also benefit through better contracts and training programs.
- As a member, an individual can elect the people who represent them, run for office, or become part of the negotiating team.
- Over the past 40 years, similar legislation has been defeated 32 times.

Dr. Lisa Shapiro, Chief Economist at Gallagher, Callahan & Gartrell, on behalf of the AFL-CIO

- When Right to Work is enacted, articles in peer review journals have found that wage growth is lowered.
- In 2019, an article in the *Journal of Financial Economics* reviewed 20,000 collective bargaining agreements in states with Right to Work over a 25-year period. They found there was a decrease in employee wage growth and an increase in executive compensation.
- In 2023, the Federal Reserve analyzed wages in 6 states that had adopted Right to Work. They found a statistically significant decline of \$1,900 in annual wages.
- Dr. Shapiro said Right to Work is a government intervention into private contracts, which reduces economic freedom. Recently, the Cato Institute ranked New Hampshire as 1st in freedom.

Representative Dan LeClerc

- Since 1979, similar legislation has been defeated regardless of who holds the majority.
- Recently, the House indefinitely postponed HB 1377 by a vote of 212 to 168.
- When Governor Sununu spoke at the State of the State address, he said businesses are coming to New Hampshire.
- Representative LeClerc said no proof has been given that union bosses use intimidation and coercion to force people into paying dues.
- Representative LeClerc said those who testified against HB 1377 are the middle class, they pay taxes, and they vote.

Rob Plunkett, Recording Secretary, Carpenters Union

- In 2015, Mr. Plunkett joined the carpenters apprenticeship program. Since then, he has earned more money, benefits, and a retirement package. If this bill were passed, however, he said these goals and achievement would be short-lived.
- Currently, there are no states in New England that have adopted Right to Work.
- Instead of pursuing this legislation, Mr. Plunkett said resources should be used to address issues, such as the opioid or housing crises.

Rich Gulla, President, State Employees Association

- Mr. Gulla encouraged the Legislature to attract employees by building affordable housing.
- Currently, there is a deficit of 22,000 homes in New Hampshire. By 2030, the deficit is estimated to be 60,000.

Lance Mazzariello, Vice President of Operations, Specialty Services of New England

- Mr. Mazzariello said no one they have represented has asked for this legislation.
- Since joining the carpenters apprenticeship, Mr. Mazzariello said he has found access to skills that have given him the ability to earn a dignified living and live the American Dream.
- In 2017, Mr. Mazzariello's daughter suffered a stroke; however, she has recovered due to his health insurance.
- Advocates have said companies will come to New Hampshire; however, Mr. Mazzariello said no concrete names or dollar values have been provided.

Karen Liot-Hill, City Councilor, City of Lebanon

- Ms. Liot-Hill said no one is forced to take a job in a unionized workplace.
- If an individual does take a job, it is unfair for them to receive benefits and working conditions that have been collectively bargained for, and paid for, by others.
- As a member of the Economic Development Commission, Ms. Liot-Hill said businesses have never asked for Right to Work.

Janice Kelble

- Ms. Kelble was part of the United States Postal Service union.
- Some employees, known as causals, were not part of the bargaining unit despite performing identical work. Those employees did not have sick leave, health benefits, personal time, or retirement benefits.
- Not every employee joins the union, so the cost of representation is not shared, which can lead to division and resentment.
- Unions are obligated to represent non-members, which can be costly. About 18 years ago, for example, there was a case where a one-day arbitration hearing cost \$1,500.
- If enough employees do not join, Ms. Kelble said unions will be weakened. As a result, it would lessen their ability to negotiate contracts.

Mike King

- After he received an apprenticeship, Mr. King was able to get healthcare and retirement benefits.
- Mr. King said big business felt they knew what was better for them.
- Mr. King said the return on investment is astronomical since unions distribute money to their membership. Despite paying union dues, he has earned over \$1 million in benefits.

Scott Gove, Teamster

- Without the benefits and pay provided by his job, Mr. Gove said he would not be able to provide a life for his family.
- Through their work, Mr. Gove said they have been able to support and provide services to businesses and their communities.

Representative Timothy Horrigan

- Representative Horrigan said people should be compensated fairly, and there has been a tendency to exploit workers.
- By joining a union, Representative Horrigan said wages and benefits improve, even for people who are not organized.
- In every industry, an individual has a choice. If an individual does not want to join a union, they can choose a workplace that does not have an agency fee.
- Despite being a union member, Representative Horrigan said an individual could also negotiate their own contract.
- In the House, this bill was indefinitely postponed; therefore, it would require a two-thirds vote to have a hearing on it.

Neutral Information Presented: None