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Testimony in Support of Proposal 3

Good afternoon, my name is Liz Medina, and I am the Executive Director of the Vermont State Labor Council, AFL-CIO – a federation of labor unions representing 20,000 AFL-CIO union members in Vermont in both the private and public sectors.

I have almost ten years of experience with labor unions and have heard so many members share the positive effects of their union in their lives. I know you have heard from some of them already.

Proposal 3, the Workers' Rights Amendment, acknowledges and protects the enormous improvements workers have made in their lives by coming together in solidarity with their fellow workers to form unions.

However, the achievements of union members extend far beyond their families and workplaces. Indeed, unions have improved the well-being of our society as a whole. The data demonstrating this fact is critical for any legislator who is interested in improving Vermont's economy and developing its workforce.

Two significant reports came out this past year regarding unions and the economy. First, the US Treasury released a report titled "Labor Unions and the Middle Class," which found that unions boost businesses' productivity and contribute to economic growth and resilience – especially for disadvantaged groups.¹

It is important to note that the report includes economic resilience in combination with economic growth. Economic growth that only benefits a few – in other words, economic growth paired with inequality – can "erode social cohesion, lead to political polarization, and ultimately lower economic growth."² As found in the US Treasury report, unions play a critical role in building economic resilience in many ways, including reducing poverty.

But what about Vermont specifically? A study published in the *Industrial Relations Review* examined the relationship between union density and poverty by state. The authors found that

¹ United States, Department of the Treasury. "Labor Unions and the Middle Class." August 2023. <https://home.treasury.gov/system/files/136/Labor-Unions-And-The-Middle-Class.pdf>

² "Income Inequality: Introduction to Inequality." *International Monetary Fund*, 2022. Web. <https://www.imf.org/en/Topics/Inequality/introduction-to-inequality>

states with higher unionization rates also have less poverty.³ The effect is as significant as “standard individual-level predictors of working poverty like education and single motherhood.”⁴

In Vermont, this relationship seems to be profoundly true. For example in 2013 Vermont's poverty rate was 12.3%, and union density – the percentage of workers covered by a collective bargaining agreement – was 10.3%, which was lower than the national average at the time.^{5 6} In 2022, Vermont's poverty rate was 10.4%, and union density was 12.1%.^{7 8} While US Census Bureau on Vermont's poverty rate in 2023 is unavailable, I suspect it will be even lower as 14.3% of workers are now covered by a collective bargaining agreement.⁹

Less poverty also means less reliance on government assistance, including for healthcare. The Federal Reserve in 2023 found that a higher share of union members have health insurance compared to nonunion workers.¹⁰ Moreover, in light of the July floods this year and the expectation of more natural disasters in the future, union members have greater cash savings and are better prepared for an emergency.¹¹

These are only a few ways unions contribute to greater economic opportunities and resilience for all workers. Back at the level of the shop floor, I can personally attest to the fact that unions work tirelessly to uplift and protect all workers – even those who exercise their Beck rights to not join the union.

Before I go into my personal experience with Beck objectors, some background on Beck rights and how they are enforced may be helpful. In a 1988 Supreme Court ruling, *Communications Workers of America v. Beck*, the Court ruled that unions could not collect dues for political activities if a union member chooses to opt-out. This ruling is separate from *Janus v. ASCME* (2018) which completely prohibited the union shop in the public sector, meaning the union could not collect any dues even while the union is still legally obligated to provide services and representation.

³ VanHeuvelen, Tom, and David Brady. “Labor Unions and American Poverty.” SocArXiv, 3 Mar. 2021. Web. <https://osf.io/preprints/socarxiv/bgcp6/>

⁴ Ibid

⁵ United States, Department of Labor. “Northeast Information Office: Union Members in Vermont — 2023.” *Bureau of Labor Statistics*, 5 February, 2024. Web. https://www.bls.gov/regions/northeast/news-release/unionmembership_vermont.htm

⁶ “Poverty rate in Vermont in the United States from 2000 to 2022.” *Statista*, 3 November, 2023. Web. <https://www.statista.com/statistics/205707/poverty-rate-in-vermont/>

⁷ Ibid

⁸ Ibid

⁹ United States, Department of Labor. “Northeast Information Office: Union Members in Vermont — 2023.” *Bureau of Labor Statistics*, 5 February, 2024. Web. https://www.bls.gov/regions/northeast/news-release/unionmembership_vermont.htm

¹⁰ Dasgupta, Kabir and Zofsha Merchant. “Understanding Workers' Financial Wellbeing in States with Right-to-Work Laws.” *Federal Reserve*, 8 September, 2023. Web. <https://www.federalreserve.gov/econres/notes/feds-notes/understanding-workers-financial-wellbeing-in-states-with-right-to-work-laws-20230908.html>

¹¹ Ibid

Although not part of this particular ruling, it should also be noted that workers may object to paying union dues on religious grounds; but, they must pay an amount equal to dues to a nonreligious charitable organization. Because I only have experience working with Beck objectors, I will restrict my comments accordingly.

Unions are required to notify all employees covered by a collective bargaining agreement about their Beck rights. Notification may be verbal or written. How this is done varies by union. When I was a union member of the Goddard College Staff Union (GCSU), UAW 2322, from 2015 to 2020, our union notified employees of their Beck rights multiple times and in multiple forms. First, when an employee is hired into a unionized workplace, a union servicing representative or local officer, such as a steward, will meet with the employee and inform them of their Beck rights before they sign a union card. My union, the UAW, would additionally send out an annual notice to all employees served under their collective bargaining agreements. Some unions also include notification of Beck rights on their union cards.

I worked in a small shop with about 40 employees in my bargaining unit during my tenure at Goddard College. If memory serves, there was only one Beck objector while I was there. Unions do have a legal obligation to represent all employees covered by a collective bargaining agreement. In my union, like many, we take this seriously and would do this regardless as a union that deeply values unity and inclusion. We would never treat an individual differently and always kept open an invitation to participate in union affairs.

As fate would have it, the Beck objector was unjustly terminated and our union immediately took action to support them. We won backpay for them. We also won them the right to return to their job if they chose to. They took the backpay but declined to return because they understandably did not want to work under their former supervisor again.

Proposal 3 would in no way change the current laws or infringe an individual's right to not join a union. And, from my personal experience, I can assure you that strong unions like my own, the UAW, could not and would not discriminate against employees who choose not to join.

Despite all the good unions do for individuals, workplaces, and our society as a whole, they are under attack and have been undermined for decades by corporate interests. There are 28 states with "Right to Work" – or as Senator Harrison aptly put "Right to Be Worked."¹²

SpaceX, Amazon, Starbucks, and Trader Joe's are challenging the constitutionality of the National Labor Relations Board, which enforces collective bargaining rights in the private sector. These mega-corporations might as well challenge the very constitutionality of the right to organize itself, as that is what the effect of prohibiting the NLRB from operating would do.

That is why it is so important to enshrine the right to collectively bargain right now with Proposal 3, the Workers' Rights Amendment. We cannot allow the achievements of so many generations

¹² "Right to Work States: Everything You Need to Know." *Upcounsel*, 1 January, 2024. Web. <https://www.upcounsel.com/right-to-work-states>

of workers to disappear at the whim of monied interests. Thank you for your time, and I would be happy to answer any questions.