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**Senate Bill 1040**

Chair Taylor and Members of the Senate Committee on Workforce,

Thank you for the opportunity to testify. On behalf of the Freedom Foundation, I respectfully urge you to oppose Senate Bill 1040.

SB 1040 would expressly prohibit local governments from passing local Right-to-Work [RTW] protections for private-sector employees. Under the National Labor Relations Act [NLRA], the authority to enact RTW is reserved to states and their political subdivisions. However, SB 1040 would preempt the ability of local jurisdictions to make their own decisions about RTW.

RTW laws simply provide that employees cannot be required to pay dues or fees to a labor union as a condition of employment. In other words, employees benefitting from RTW protections cannot be fired simply because they choose not to join or financially support a union.

Most employees have never had a say in whether they are represented by a union, and many disagree with their union's objectives, tactics, or political agenda. Fundamentally, being forced to financially support the activities of a private labor organization represents an infringement of an employee's First Amendment right to freedom of speech and association.

Aside from protecting an employee's associational freedom, RTW laws do not affect collective bargaining in any other way. Nothing prevents unions from representing employees or bargaining as they do now, and nothing prevents employees from joining a union and paying dues voluntarily. In fact, some reports suggest that unions in RTW states have experienced greater membership gains than those in non-RTW states, possibly because unions in RTW states must be especially attentive to workers' needs in order to earn their financial support.<sup>1</sup>

Given the undeniable burdens compulsory union fees place on employee freedom, it is alarming that SB 1040 seeks to create a statewide policy cementing such compulsion and preventing local governments from having any say in the matter.

RTW laws have also been shown to have positive economic effects. In Kentucky's Warren County, the first county in the nation to pass a local RTW law, the Chamber of Commerce reported that business investment and new job creation within the county reached record highs following its

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<sup>1</sup> Vernuccio, Vincent F. (2016, June 6). As Right-to-Work Expands, So Do Union Membership Rolls. Retrieved from <https://www.mackinac.org/v2016-18>.

adoption of a RTW ordinance in 2015.<sup>2</sup> The Warren County attorney, a Democrat, further substantiated the claims of economic improvement by reporting that multiple business-development prospects contacted the county citing its RTW ordinance as the reason for their interest.<sup>3</sup>

Just as Warren County and several others experimented with RTW and found it to be economically beneficial to their communities, so too might local jurisdictions within our state.

Generally speaking, Oregon law allows counties and cities to exercise a broad range of authority over local affairs<sup>4</sup> – and for good reason. Local governments are often better suited to address the particular needs of their constituents, and they likely have a better understanding of the economic and social conditions of their communities.

So, why shouldn't the state's diverse collection of 36 counties and more than 200 cities be able to decide this issue for themselves?

SB 1040 is a broad preemptive policy that sacrifices the principle of local control to ensure that local governments cannot enact RTW. In doing so, it does not account for the various needs of Oregon's local communities nor respect the valid reasons that local jurisdictions might have for exercising the authority currently given to them by the NLRA.

The Freedom Foundation supports both the concept of RTW and the right of local governments to decide for themselves whether to allow union security agreements between employers and unions within their jurisdictions.

On behalf of the Freedom Foundation, I respectfully urge the committee to oppose SB 1040.

Thank you,



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<sup>2</sup> King, Savannah. [2017]. Open for Business. Retrieved from <http://siteselection.com/cc/kentucky/2017/right-to-work.cfm>.

<sup>3</sup> Sherk, James. [2015, Feb. 3<sup>rd</sup>]. Bruce Rauner Is Trying Kentucky's Approach to Right-to-Work: Do It Locally. Retrieved from <http://www.heritage.org/jobs-and-labor/commentary/bruce-rauner-trying-kentuckys-approach-right-work-do-it-locally>.

<sup>4</sup> ORS 203.025, ORS 221.410.