	Approved February 27, 1992  Date
MINUTES OF THESenate COMMITTEE ON	Labor, Industry and Small Business
The meeting was called to order byAlicia L.	Salisbury at Chairperson
1:30 axxxp.m. on February 6	, 19_92n room254-E_ of the Capitol.
All members were present except: Members present: Senators Ehrlich, Fele Salisbury, Sallee, Strick and Thiessen	eciano, Martin, Morris, Oleen, Petty,
Committee staff present: Jerry Donaldson, Legislative Research De Gordon Self, Revisor of Statutes Office Mary Jane Holt, Committee Secretary	epartment
Conferees appearing before the committee:	

Jim DeHoff, Executive Secretary, Treasurer, Kansas AFL-CIO Craig Grant, Kansas NEA
Senator John Strick, Jr.
Dorothy States, Kansans for the Right to Work, Wichita Louis E. Weiss, Kansans for the Right to Work, Augusta Terry Leatherman, Executive Director, KCCI Roger Grund, Executive Director, Homeowners Trust Kansas State Council of Machinists, Wichita Toby Elster, Pan Western Petroleum, Inc., Wichita Mabel Barker, Oswego

# HEARING ON SB 174 - Fair share service fee to be paid to labor organizations for nonmember employees

Jim DeHoff, Executive Secretary Treasurer of the Kansas AFL-CIO, testified in support of SB 174. The Federal Labor Law states that any group of people who form an organization have to represent everyone in the bargaining group. This means that when an individual, who pays no fees whatsoever to the group as a whole, has a problem with grievances, arbitration or any other contract problems with the employer, they contact the Business Representative and they can be represented free. This representation comes out of fees voluntarily paid by the people in the organization. The cost of some arbitration can be as high as \$4,000 or more for attorney fees. SB 174 asks for service fees from nonmembers to cover the costs of negotiating contracts, health and welfare problems, pensions, vacations, etc. He said lines 24 and 25 state the labor organization "shall have the right to bargain for a fair share service fee", see Attachment 1.

Craig Grant, Kansas NEA, informed the Committee it takes hard work and money to adequately negotiate and represent employees in a collective bargaining agreement. Kansas NEA believes legislation must be enacted which will mandate a fair representation fee for nonmembers. SB 174 would allow that fair share fee to be negotiated "between the employer and employees through the negotiations process, see Attachment 2.

Senator John Strick, Jr., explained SB 174 gives unions a service fee to represent non-union members that shall not exceed the actual cost of representing such nonmember employees.

Dorothy States, Kansans for the Right to Work, Wichita, testified a so-called "fair share" provision in a collective bargaining agreement violates Article 15, Section 12, of the Kansas Constitution, commonly known as the "right to work" amendment. She opposed passage of SB 174, see Attachment 3.

### **CONTINUATION SHEET**

MINUTES OF THE Senate COMMITTEE ON Labor, Industry and Small Business, room 254-E, Statehouse, at 1:30 252/p.m. on February 6 , 19 92

Louis E. Weiss, Kansans for the Right to Work, Augusta, informed the Committee he was the first president of Right to Work when it was organized in 1954 and is presently the Director of Kansans for the Right to Work and Director of the National Organization. He stated they will test the constitutionality of this bill if it is passed.

Terry Leatherman, Executive Director, KCCI, testified in opposition to SB 174. This bill demands non-union members of a workplace represented by a labor organization pay the union a fee for representing them. If the AFL-CIO feels they are being wronged by being required to represent non-union workers, they should as Congress to relieve them of the responsibility, see Attachment 4.

Written prepared testimony from Kansas State Council of Machinists, Wichita, see Attachment 5, Pan Western Petroleum, Wichita, see Attachment 6, and Mabel Barker, Oswego, see Attachment 7; was distributed to the Committee.

Roger Grund, Executive Director of Homeowners Trust, Wichita, stated the unions are asking for a fee to represent the non-union employees. They represent the non-union employees only in the bargaining process. He said the unions lobbied to obtain the right to represent all employees in a company, whether they were members of the union or not.

There being no further conferees, the hearing on SB 174 was closed.

The Chairman requested the Committee to reconsider its action on Senator Petty's motion to introduce a bill concerning safety standards for state employees.

Senator Petty moved to introduce a bill based on a Connecticut statute that would cover state employees under OSHA. Senator Martin seconded the motion. The motion passed.

The Committee meeting was adjourned at 2:30 p.m.

## GUEST LIST

COMMITTEE: LABOR, INDUSTRY & SMALL BUSINESS

DATE: Fiel. 6, 1992

NAME (PLEASE PRINT)	ADDRESS'	COMPANY/ORGANIZATION
R Frey	Topella	KTLA
TERRY STEVENS	TOPEKA	Ks. F.O.P.
Michelle, Liester	Topeka	KGC
Bill GilES	Pittshuce, Ks	a.M.W.A. DiST#14
Boh Ellrotto	Wichita	WET
Wayn mauhy	Top	KS AFL-CIO
B, 18 Thompson	Topeka	KDOC
Ruth Mª Neal	Towanda	
Arthur Mª Neal	Towanda	
D. WAYNE ZIMMERMAN	OLATHE IKS	KANSANS FOR RIGHT YOUNK
Tom Slattery	Topoka	AGC of KS
Bill Curtis	Topeka	Ks. Assoc. of School Bds.
R.A. Caraway	Topeka	AFSCME/ Sts Council 64
HARRYD. HELSER	WichiTH	KIAFI-CFO
Craig Grant	Topeta	ITNEA
B. Mariani	Topelin	Lef A.
Many Yy Bertelli	TopeKa	Public Empl. Relating Bd.
James A. Joell	Piclifa	RS77A
Gerry Marlatt	Topeker	RICIZ
Bill Morrissey	Topeka	KDHR/Work Comp
LOUIS E. WEISS	170kg auset br. Augusta Ks 67010	Kansu for R & W
States	Wichte	Katon Right to Work
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## GUEST LIST

COMMITTEE:	LABOR, INDUSTRY	& SMALL BUSINESS	DATE:
NAME (PLEA		ADDRESS	COMPANY/ORGANIZATIO
HW (	B:11) P1868	PO Bix 99 Servoja NS CO	6966 Plece Custration Co Fri
ALAN	(B:11) 196600 COBB	Wielita	1916 Plea Contractor Co Inc. Es Assoc For Small Busines
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Senate Labor & Industry Committee

Madame Chairperson and Committee Members:

I am Jim DeHoff, Executive Secretary Treasurer of the Kansas AFL CIO. I appear before you today on behalf of the 90,000 members who belong to the Kansas AFL CIO and have a very strong interest in the passage of SB 174. (See attachment B - lists all the labor organizations that support SB 174.)

Under the Kansas Constitution, Article 15, Section 12, it states, "No person shall be denied the opportunity to obtain or retain employment because of membership or non-membership in any labor organization, nor shall the state or any subdivision thereof, or any individual, corporation, or any kind of association enter into any agreement, written or oral, which excludes any person from employment or continuation of employment because of membership in any labor organization." Now the problem is, Federal Labor Law states that any group of people who form an organization have to represent everyone in the bargaining group. So this means that when an individual, who pays no fees whatsoever to the group as a whole, has a problem with grievances, arbitration or any other contract problems with the employer, they just contact the Business Representative and they are representated free. This representation comes out of the fees voluntarily paid by the people in the organization. The cost of some arbitration can be as high as \$4,000 or more for attorney fees.

Lines 24 and 25 of SB 174 state, "shall have the right to bargain for a fair share service fee". It does not state that there will be one, only the right to bargain. How many of you would like to belong to the Chamber of Commerce and not pay anything and receive all the benefits and services the organization provides, or belong to the Kansas Farm Bureau and not pay a penny. Did you know that you can't purchase Farm Bureau Insurance unless you buy a membership or an associate membership. The associate member has no voting rights.

The question comes to mind if you are a person working for a living, paying your way and being an active part of an organization to improve your working conditions. Why is it one way for working people and another way for business associations? Is this fair? Absolutely not! You will hear

ately not! You will hear SL9+ SB. 2/6/92

Attachment 1-1

opponents expand on the fact that this gives organizations more power - just remember that is totally false. Its just a question of correcting a wrong imposed on individuals that choose to be an active part of an organization. We are asking for the right to make people pay for their services, just like you and I pay for utility bills or whatever.

Your consideration with passage of Senate Bill #174 would help aleviate a very serious injustice to the working people of this state who choose the free right of collective bargaining.

Thank you.

Jim DeHoff

See Attachment A

Representation - US Supreme Court

Examples - Costs of Representation

129+1B 2/6/92 Utachment 1-2

#### Attachment A

#### UNIONS ARE REQUIRED TO REPRESENT NON-MEMBERS

Once a labor organization becomes the bargaining representative for a group of employees, it is required to represent the interest of all the employees within the unit, not just the union members. This is a well established rule under the National Labor Relations Act and it was verbalized by the U. S. Supreme Court in the case of Wallace Corporation v. National Labor Relations Board, 156 LRR1.1 697, wherein the Court said:

"The duties of a bargaining agent selected under the terms of the Act extend beyond the mere representation of the interest of its own group members. By its selection as bargaining representative, it has become the agent of all the employees, charged with the responsibility of representing their interest fairly and impartially. Otherwise, employees who are not members of a selected union at the time it is chosen by the majority would be left without adequate representation."

After the bargaining rights are won by a labor organization, the initial steps in bargaining are placed into operation. In no case are the employees expected to negotiate without a skilled negotiator from the labor organization. Most negotiations are lengthy sessions and require many hours of negotiations, and, in some instances, travel time and lodging by the Business Representative before a contract is concluded and signed.

After the signing of the contract, it becomes the labor organization's duty, by law, to police the contract as to appropriate wages for work performed, the allocation of overtime, safety and other working conditions. If a grievance is filed, it is the labor organization's duty to investigate for merit and process it through the grievance procedure and, in some instances, winding up in arbitration. Arbitration today is very costly. The labor organization has to share the expense of the arbitrator's fee, court reporters, transcripts and, in most cases, attorney's fees.

Since it is required by law that all employees in a bargaining unit shall receive the same representation as described above, should not a service fee be charged to the non-member of a labor organization in order to pay his or her fair share of the cost of representation?

Contract negotiations vary according to the terms of the contract, but nevertheless are on a continual basis and the non-member is continually reaping benefits when they are negotiated. A non-member can file a grievance at anytime and must be represented. Below are just a few examples where non-members have been represented.

#### SOME EXAMPLES OF CASES INVOLVING NON-UNION MEMBERS

Over the years we have a record of many grievances and cases handled for the non-member. The following are examples picked at random from several areas in Kansas:

SHEET METAL WORKERS LOCAL #29, VACU BLAST, ABILENE, KS - After the first contract expiration date and during negotiations a decertification petition was filed by the employees of the company. At that time, there were 85 employees, with 38 employees belonging to the union. The NLRB conducted an election and 63 employees voted in favor of keeping union representation. Please note that 25 nonmembers voted for union representation. A new contract has been negotiated for the employees.

Non-union employees, Newton, KS, through a class action grievance, court hearings and litigation received payments equal to \$1,500.00. Total cost of litigation by Local 29 - \$5,000.00

Non-union employees, Hutchinson, KS, through litigation, including hearing before 1 L91 B 10th Circuit Court in Denver, Colorado, received back pay of \$2,500.00 each. Total 2/6/92

Attachment 1-3

cost to union for representation - \$20,000.00.

INTERNATIONAL ASSOCIATION OF MACHINISTS & AEROSPACE WORKERS DISTRICT LODGE #70, WICHITA, KS - Three non-members had a grievance regarding proper wage scale. The grievance was settled, all three received back pay of .30 per hour for six months totaling \$312 per non-member. Total cost of processing grievance - \$900.

SLI+SB 2/6/92 Attachment 1-4

K.S.I.U.C. Lawrence Central Labor Council Building & Constr. Trades Cn. Kansas City Ks. St. Building & Constr. Trades Cn. Building & Constr. Trades Cn., Topeka Building & Constr. Trades Cn., Manhattan Bldo.& Constr.Tr.Cn.Central/Western KS Central Labor Union Tri-County Labor Council Topeka Fed.of Labor Wichita/Hutchinson Labor Federation Building & Constr. Trades Cn.. St.Joseph Union Label & Serv. Tds. Cn. Atchison Labor Committee Aluminum Wkrs. #1856 Insulation Production Workers #1 Asbestos Workers #27 Asbestos Workers #15 UAW #2366 Auto Workers #249 Ks.St. UAW CAP Council Auto Workers #710 Gr. Kansas City UAW-CAP Auto Workers #1021 Auto Workers #31 Auto Workers #93 Bakery, Conf. & Tobacco Wkrs #218 Bakery, Conf.& Tobacco Wrks. #245 Boilermakers #1256 / Boilermakers #34 Cement Wkrs.-Boilermakers #D93 Cement Wkrs. -Boilermakers #D109 Cement Wkr-Boilermakers #D194 Cement Wkrs.-Boilermakers #D75 Boilermakers #83 Cement Wkrs.-Boilermakers #D76 Cement Wkrs.-Boilermakers #D73 Boilermakers #84 Boilermakers #1500 Bricklayers #24 Bricklavers #2 Bricklayers #1 Bricklavers #14 Marble Masons #39 Bricklayers #18 Bricklayers #4 Marble Masons #3 Carpenters #1445 Carpenters #499 Carpenters #2279 Carpenters #1635 Carpenters #714 Carpenters #1022 Carpenters #1095 Ks. St. Cn. of Carpenters Carpenters #1724

Carpenters #110

SLI+ SB 2/6/92 Attachment 1-5

Carpenters #168 Carpenters #201 Carpenters #918 Kaw Valley Dist. Cn. Carpenters Carpenters Dist. Cn. Millwrights #1529 Carpenters #61 Millwrights #1529 Carpenters #311 Carpenters #499 Chemical Workers #210 Chemical Workers #188 Chemical Workers #605 Clothing & Textile Wkrs #2547 Clothing & Textile #874 Clothing & Textile #451 Clothing & Textile Wkrs. Clothing & Textile Workers #1525T Clothing & Textile #970 Clothing & Textile #64 Clothing & Textile Wkrs. #501 CWA #6409 CWA #6407 ITU Typo. CWA Local #80M7 CWA #6412 ITU Typo. CWA Local #470 CWA #6391 ITU Typo.CWA Local #14604 ITU Typo. CWA Local #14604 Communications Workers #6325 ITU Typo. CWA Local #14606 ITU Typo. CWA Local #14603 CWA #6410 Kansas State CWA Cn. Communications Workers #6450 CWA #6401 CWA #6327 ITU Typo CWA Local #14605 ITU Typo. CWA Local #14612 ITU Typo. CWA Local #14607 CWA #6402 CWA #6321 CWA #7476 CWA #6411 CWA #6406 CWA #6333 ITU Mailer CWA Local #14609 Distillery Workers #74 Electrical Workers #1613 Electrical Workers #124 Electrical Workers #271 Electrical Workers #1523 Electrical Workers #1464 Electrical Workers #53 Electrical Workers #661 Electrical Workers #304 Electrical Workers #1056

12/4/B 2/4/92 Attachment 1-6

Electrical Workers #226 Electrical Workers #95 IUE #1116 IUE #1004 Elevator Constructors #12 Elevator Constructors #94 Operating Engineers #101 Operating Engineers #119 Operating Engineers #123 Operating Engineers #6 Operating Engineers #101 Operating Engineers #418 Operating Engineers #647 Operating Engineers #642 Ks.St.Cn.Fire Fighters Fire Fighters #83 Fire Fighters #3012 Fire Fighters #179 Fire Fighters #2119 Fire Fighters #2736 Fire Fighters #1371 Fire Fighters #2234 Fire Fighters #782 Fire Fighters #3083 Fire Fighters #265 Fire Fighters #2360 Fire Fighters #135 Fire Fighters #64 Fire Fighters #2101 Fire Fighters #1596 Fire Fighters #3030 Fire Fighters #2612 Fire Fighters #2991 Fire Fighters #2275 Firemen & Oilers #1 Firemen & Oilers #235 United Food & Comm. Wkrs. #340 United Food & Comm.Wkrs #322 United Food & Comm. Wkrs. #58 Food & Comm. Wkrs. #113I Food & Comm. Wkrs. #576 ILGWU Central States Region United Garment Workers #47 United Garment Workers #509 United Garment Workers #451 United Garment Workers #431 United Garment Workers #409 United Garment Workers #344 Glass, Molders, Pottery #122 GMPPAW #198 6MPPAW #233 Glass, Molders, Pottery #122 AFGE #1737 AFGE #2324 AFGE #834 AFGE #738 AFGE #919

SLI+SB 2/6/92 Attachment 1-1

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AFGE #2936
AFGE #477
AFGE #3061
AFGE #482
AFGE #3849
AFGE #85
AFGE #2799
Grain Millers #158
Grain Millers #73
Grain Millers #335
Grain Millers #200
Grain Millers #99
Grain Millers #107
Grain Millers #57
Graphic Comm. #575
Graphic Comm. #729
Graphic Comm. #23B
Graphic Communications #16-C
Graphic Comm. #49C
Graphic Communications #235
Graphic Communications #560S
Graphic Comm. #275C
Graphic Communications #60B
Graphic Comm. #147C
Hotel & Rest. Empl. #803
Hotel & Restaurant Empl. #64
Allied Industrial Wkrs. #856
Allied Industrial Wkrs. #161
Iron Workers #606
Iron Workers #520
Iron Workers #717
Iron Workers #10
Iron Workers #10
Laborers' #605
Public Service Empl. #1422
Public Service Emp. #1132
Laborers #775
Laborers #94
Laborers #1290
Laborers #579
Laborers #663
Western MO & KS Laborers'Dist.Cn.
Laborers #142
IL.KS & MO Pub.Serv.& Ind.Dist.Cn.
Letter Carriers #104
Letter Carriers #1157
Letter Carriers #1018
Letter Carriers #1171
Letter Carriers #499
Letter Carriers #201
Letter Carriers #2115
Letter Carriers #834
Letter Carriers #477
Letter Carriers #2722
Letter Carriers #1055
Letter Carriers #141
Letter Carriers #194
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129 + S. B. 2/6/92 Attachment 1-8

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Letter Carriers #5521
Letter Carriers #582
Letter Carriers #486
Letter Carriers #1035
Ks. St. Letter Carriers Assn.
Letter Carriers #873
Letter Carrriers #695
Letter Carriers #1122
Letter Carriers #485
Letter Carriers #766
Letter Carriers #1412
Letter Carriers #10
Letter Carriers #2161
Letter Carriers #4635
Letter Carriers #185
Letter Carriers #1579
Letter Carriers #4720
Machinists #314
Machinists #1077
Machinists #693
Machinists Dist. Lodge #142
Machinists Dist. Lodge #70
Machinists #990
Machinists #834
Machinists #1650
Machinists #2556
Machinists #733
Machinists #774
Machinists #708
Machinists #293
Machinists Dist. Lodge #71
Machinists #778
Machinists #2540
KS ST CN of Machinists
Kansas AFL-CIO
Machinists #639
Machinists #2255
Machinists #1077
Machinists #92
Machinists #2328
Machinists #1992
Machinists #2791
Maintenance of Way #1365
Maintenance of Way #2400
Maintenance of Way #934
Maintenance of Way #344
Maintenance of Way #2720
Maintenance of Way #341
Maintenance of Way #1133
Maintenance of Way #376
Maintenance of Way #800
Maintenance of Way #1601
Maintenance of Way #518
Maintenance of Way #1025
Maintenance of Way #1540
Maintenance of Way ·
Maintenance of Way #487
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1 LI+ SB 2/6/92 Attachment 1-9

Maintenance of Way #455 Maintenance of Way #2403 United Mine Workers Dist. #14 Molders & Allied Wkrs. #162 Molders & Allied Wrks. #450 Musicians #36665 Musicians #452 Musicians #755 Musicians #169 Musicians #110 Musicians #36665 Musicians #34-627 Musicians #297 Musicians #620 Musicians #512 Luggage & Novelty Wkrs. #66 OPEIU #277 Office & Prof. Emp. #320 OPEIU #277 #5 OCAW District Cn. OCAW #5114B OCAW #5348 OCAW #5474 OCAW #5558 OCAW #5446 OCAW #5617 OCAW #5348 OCAW #5114 OCAW #5348 OCAW #5508 OCAW #5571 OCAW #5613 OCAW #5241 OCAW 5266 Glaziers #558 Painters #397 Painters #229 Sign & Pictorial Painters #820 Painters #96 Painters #9 Painters District Cn. #3 Painters #76 Painters #754 Res.Floor & Dec.Cover.Wkrs #1179 Painters #1594 Floor Lavers #1179 MO St. Conf. of Painters United Paperworkers #510 Paperworkers #179 United Paperworkers #29 United Paperworkers #765 Paperworkers #1350 Plastererss & Cement Masons #294 Plasterers & Cement Masons #23 Plasterers & Cement Masons #44 Cement Masons #518 Plumbers & Pipe Fitters #363

S LI + S B. 2/6/92 Uthehment 1-10

Ks. St. Pipe Trades Assn. Plumbers & Pipe Fitters #171 Pipe Fitters #533 Plumbers & Pipe Fitters #8 Building & Constr. Trades Cn., Lawrence Plumbers & Pipefitters #165 Plumbers & Pipe Fitters #45 Plumbers & Pipe Fitters #664 Plumbers & Pipe Fitters #763 Postal Workers #890 Postal Workers #639 Postal Workers #2021 Postal Workers #693 Postal Workers #270 Postal Workers #1145 Postal Workers #2009 Postal Workers #447 Postal Workers #588 Postal Workers #4990 Postal Workers #735 Postal Workers #743 Ks. Postal Workers Union Postal Workers #959 Postal Workers #194 Postal Workers #6862 Postal Workers #1274 Postal Workers #439 Postal Workers #238 Postal Workers #4458 Postal Workers #886 Postal Workers #393 Central States Cn. RWDSU RWDSU #184L Roofers #20 &#20B URW #307 United Rubber Workers #851 AFSCME #1440 AFSCME #1419 AFSCME #3475 AFSCME #1689 AFSCME #1417 Service Employees #107 Service Employees #806 Service Employees #96 Service Employees #513 Sheet Metal Workers #2 Sheet Metal Workers #29 Sheet Metal Workers #77 Sheet Metal Gr. Plns.Dist.Cn. Railway Signalmen #8 Railway Signalmen #3 Railway Signalmen #116 Railway Signalmen #72 Bro. of Railway Signalmen Railway Signalmen #21 Ks. St. Assn. IATSE I.A.T.S.E. #M-464

SL9 + SB 2/6/92 Attachment 1-11

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I.A.T.S.E. #0-170
IATSE #190
[ATSE #414
IATSE #498
I.A.T.S.E. TWU-810
I.A.T.S.E. #M-555
I.A.T.S.E. #S-31
IATSE #910
I.A.T.S.E. #S-43
IATSE #368
AFSCME #1439
AFSCME #2463
AFSCME #1357
AFSCME #1469
AFSCME #2777
AFSCME #1438
AFSCME Council #64
AFSCME #1270
AFSCME #3371
AFSCME #1593
Steelworkers #507U
Steelworkers #4991
Steelworkers #15312
Steelworkers #12606
Steelworkers #4706
Steelworkers #5301
Steelworkers #2351
Steelworkers #507U
Steelworkers #12561
Steelworkers #15402
Steelworkers #6943
Steelworkers #327U
Steelworkers #1957
Steelworkers #1965
Steelworkers #5783
Steelworkers #12788
Steelworkers #13417
Steelworkers #14777
Steelworkers #15162
Steelworkers #2720
Steelworkers #7467
Steelworkers #14436
Steelworkers #12458
Steelworkers #12329
Railway Carmen Div. TCU
                          #6850
Ks. Fed. of Teachers #8014
Wichita Fed. of Teachers #725
Garden City Fed. of Teachers #4377
KAPE
Teamsters #795
Teamsters #838
Teamsters #696
Teamsters #498
Teamsters #552
Teamsters #541
Teamsters #696
Teamsters #838
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Teamsters #41 Amalgamated Transit Union #1287 Amal.Transit Union #1360 TCU Santa Fe System Bd. TCU #121 TCU #208 TCU #6504 TCU #427 TCU Ks. Legis. Board TCU #6844 TCU #343 TCU #6076 TCU #6363 TCU #6850 TCU #6340 TCU #427 TCU #6225 TCU #179 TCU #6759 TCU #6762 TCU #6770 TCU #598 TCU #6770 TCU #6887 TCU #6644 TCU #51 TCU #72 TCU #6213 TCU #136 TCU #150 TCU #174 TCU #628 TCU #218 TCU #314 TCU #395 TCU #536 TCU #6026 TCU #888 TCU #921 TCU #6036

TCU #6054 TCU #6843

> 1 49 + SB 2/6/92 Attachment 1-13



KANSAS NATIONAL EDUCATION ASSOCIATION / 715 W. 10TH STREET / TOPEKA, KANSAS 66612-1686

Craig Grant Testimony Before Senate Labor, Industry & Small Business Committee Thursday, February 6, 1992

Thank you, Madame Chairperson. I am Craig Grant and I represent Kansas-NEA. I appreciate this chance to visit with the committee on SB 174.

It takes hard work and money to adequately negotiate and represent employees in a collective bargaining agreement. are few benefits which automatically are granted to the negotiation agent; however, all employees of the bargaining unit, whether members or not, benefit from the results of that hard work.

I think that it is because of that reason--that the nonmembers can just "freeload" off the hard work and efforts of the members--that the delegates to our representative assembly passed resolution A-9 which says that "Kansas-NEA believes legislation must be enacted which will mandate a fair representation fee for nonmembers."

SB 174 would allow that fair share fee to be negotiated between the employer and the employees through the negotiations process.

Kansas-NEA supports  $\underline{\text{SB }174}$  and asks the committee to act on it favorably. Thank you for listening to our concerns.

al 6/92

Attachment 2

KANSANS FOR THE RIGHT TO WORK, INC. PO Box 2457 Wichita, Kansas (316) 838-9166

Compulsory unionism outlawed in Kansas. Agency Shop or similar terms, such as the "fair share" service fee gimmick, have also been outlawed in Kansas.

Membership in a union shall be voluntary. That is the law.

In Kansas, the Right to Work is guaranteed by both a statutory provision and a constitutional amendment. The statute, KSA 44-803 of the Dansas Statutes Annotated, was enacted in 1943 and reads as follows:

Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection, and such employees shall also have the right to refrain from any or all such activities. D.S.A. 44-803 (1964; Sup. 1972).

Article 15, Section 12, of the Kansas Constitution, adopted by referendum on Nov. 4, 1958, contains the following language:

Membership or nonmembership in labor organizations. No person shall be denied the opportunity to obtain or retain employment because of membership or nonmembership in any labor organization, nor shall the state, or any subdivision thereof, or any individual, corporation, or any kind of association enter into any agreement, written or oral, which excludes any person from employment or continuation of employment because of membership or non-membership in any labor organization.

The "agency shop", or "fair share" issue was laid to rest with the leading case Higgins v. Cardinal Manufacturing Co., 188 Kan. 11, 360 P.2d 456 (1961), cert. denied, 368 U.S. 829, 82 S.Ct. 51, 7 LEd. 2d 32 (1961).

In that decision the Supreme Court of Kansas, in incisive and unequivocal language, declared the "agency shop" unlawful under the terms of both the constitutional amendment and the statutory provision.

With regard to the constitutional amendment, the Court said:

"Without question the people felt by adopting the amendment the decision would prevent the payment of forced tribute to any labor organization by any worker within the boundaries of this state." 360 P.2d 456, 463.

"The natural and logical interpretation of the Kansas constitutional amendment prohibiting compulsory membership in a labor organization as a condition of employment or continued employment, includes by necessary implication a prohibition against forced payment of initiation fees, union dues and assessments, or the equivalent by a worker to a labor organization as a condition of employment or continued employment." 360 P.2d 456,465

SLD + SB 2/6/92 Attachment 3-1

"We hold the s-called "agency shop' provision in the contract here under attack violates Article 15, Section 12, of the Kansas Constitution, declaring the public policy of the state as determined by popular vote of the people of Kansas." 360 P.2d 456,466.

The Court in Higgins also declared the "agency shop" illegal under the terms of KSA 44-803, as follows:

The right of employees guaranteed in the foregoing statute to refrain from assisting labor organizations includes the right to refrain from giving financial assistance as well as personal assistance. In other words 44-803 supra, prohibits forced payment of union dues and fees by employees to labor organizations." 360 P.2d 456,467

In Higgins, the Supreme Court of Kansas spoke from on high and "declared the true meaning of the provision of the state constitution outlawing compulsory unionism. When the Higgins court decision "clarified" the meaning of Right to Work amendment to the Kansas Constitution, it declared the agency shop illegal and buried the agency shop deep in the bowels of a granite legal tomb from which it can only be resurrected by a further constitutional amendment, passed by both houses of the Legislature, and approved by a majority of the citizenry voting in a general election.

Thus, if a bill purporting to legalize the agency shop were to be passed by both houses of the Kansas Legislature, and signed into law by the Governor, such a law would be unconstitutional.

Agency shop, or a fair share provision, can only be legalized in Kansas by mobilizing the massive machinery necessary to produce and ratify a new constitutional amendment.

The United States Supreme Court spoke to the agency shop question in the case of Schermerhorn v. Retail Clerks (Florida) in April 25, 1962.

The U.S. Supreme Court said .... "the agency shop clause is repugnant to the Constitution in that it requires the non-union employee to purchase from the labor union a right which the Constitution has given him. The Constitution grants a free choice in the matter of belonging to a labor union. The agency shop clause  $\dots$  . purports to acknowledge that right, but, in fact, abrogates it by requiring the non-union worker to pay the union for the exercise of that right or, in the alternative, to be discharged from his employment . . . . The appellees contend that, except for the agency shop provision, the non-union employees of the appelant Food Fair would be 'free riders,' that is, they would reap the benefits of union representation without having to bear any of the costs thereof . . . . This argument may be answered by reference to the section of the Constitution under consideration. Clearly, it is the intent of this section to leave as a matter for individual determination and preference the question of whether the worker will derive any benefit from association with a labor union. The choice is his to make. Presumably, the appellants in the instant case have decided that union membership is not an overall benefit to them personally, else they would have joined :"

SLI+ SB 2/6/92 Attachment 3-2

This proposed legislation, a so-called "fair share" provision in a collective bargaining agreement violates Article 15, Section 12 of the Kansas Constitution, commonly known as the "right to work" amendment.

We fervently oppose such legislation.

Prohibiting compulsory membership in a labor organization as a condition of employment or continued employment is construed to include a prohibition against forced payment of initiation fees, union dues and assessments.

This is blatant attempt to circumvent the Kansas constitutional amendment by imposing on workers who did not wish to join the union a fee for unwanted representation. Similar proposals were introduced in the 1973 Session, and again in the 1979 Session. Each time the proposals were defeated because the courts have clearly ruled that such provisions are illegal under our Right to Work law.

The only difference in this bill is that instead of being fired for not paying the union, nonunion employees will be sued for not coughing up the proposed "fee".

This proposed legislation would allow a labor organization and an employer to agree to deprive a worker of the freedom of choice. Unions, going on the flimsy theory that the non-union worker owes something for the bargaining done in behalf of all the workers, are using a coercive device to extract tribute and fill the union treasuries.

Non-union workers never asked the unions to bargain for them. The unions have demanded this right.

The Propaganda Fraud of the "Free Rider".

We ask the question, "who created the phony 'free rider' concept?"

Here's how it happened. Union pressure upon Congress in 1935 overrode the Roosevelt Administration's recognition of a workingman's right to join a union, or not join a union, and to bargain with his employer in a minority or as an <u>individual</u> employee.

Preceding the legislative hearings on and the enactment of the Wagner Labor Relations Act, the Roosevelt Administration issued its basic Executive Order on "collective bargaining." The Order, No. 3125, was released on Feb. 1, 1934. The content of the Order was explained in a White House press release of the same date.

The release said, in part:

- "2 This section of majority representatives (in an election conducted by the National Labor Board) does not restrict or qualify in any way the right of minority groups of employees or of individual employees to deal with their employer. (emphasis added)
- "3. Section 7 (a) affirms the right of the employees to organize and bargain collectively through representatives of their own choosing; and such concerted activities can be lawfully carried on by either majority or minority groups organizing and selecting such representatives in such manner as they see fit. Also, in affirming this right of collective action, THE LAW LAYS NO LIMITATION UPON INDIVIDUAL ACTION." (emphasis added) 1204 18 ===Committee on Education and Labor on Senate Bill 1958 74th Conthress, 2/6/92 lst session, Part 1, Pages 117-121.

Attachment 3-3

Roosevelt Administration and the exclusive representation.....continued

The Big union officials reacted strongly to the idea that individuals could act in their own behalf in negotiating with their employer.

Roosevelt's Executive Order and the above interpretation contained in the White House release were attacked. When the Wagner Act hearings were conducted by the Senate Labor Committee in 1935, top union officials protested individual and minority rights in "collective bargaining". On March 14, 1935, William Green, President of the American Federation of Labor, testified at a Senate hearing:

"We have protested against this interpretation (White House release No. 3125) Mr. Green and other union spokesmen demanded that "exclusive representation" be written into the collective bargaining law -- taking away the "right of minority groups of employees or of individual employees to deal with their employer" rights that the Roosevelt Administration had recognized in its "collective bargaining" order.

Senators spoke out against this monopoly of "exclusive representation" but the political power of the union officials prevailed.

Thus, the unions themselves forced through the law which says that all employees of a certified bargaining unit (whether union members or not) <u>must be represented</u> by the bargaining unit and have no bargaining rights of their own.

The so-called "free rider" is a captive of union power.

Right to Work will cosponsor legislation in cooperation with union officials to petition Congress to amend the "exclusive representation" out of the law and require unions only to represent union workers.

We have made this offer many times over the years, but no takers.

Unions, going on the flimsy theory that the non-union worker owes something for the bargaining done in his behalf is using this coercive threat to fill the union treasuries -- and thereby electing more union-oriented legislators to the Kansas Legislature and the U.S. Congress.

S.B. 174 is a bad bill and should be killed. S.B. 174 is clearly in conflict with both the letter and the spirit of the policy enunciated by the people of Kansas at the polls in 1958. If this measure is enacted into law, it cannot survive a challenge in court. And such a challenge would undoubtedly be forthcoming.

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SLI+SB 2/4/92 Attachment 3-4

# **EGISLATIVE TESTIMONY**

# Kansas Chamber of Commerce and Industry

500 Bank IV Tower One Townsite Plaza Topeka, KS 66603-3460 (913) 357-6321



A consolidation of the Kansas State Chamber of Commerce, Associated Industries of Kansas. Kansas Retail Council

SB 174

February 6, 1992

KANSAS CHAMBER OF COMMERCE AND INDUSTRY Testimony Before the Senate Committee on Labor, Industry and Small Business

by

Terry Leatherman Executive Director Kansas Industrial Council

Madam Chairperson and members of the Committee:

I am Terry Leatherman. I am the Executive Director of the Kansas Industrial Council, a division of the Kansas Chamber of Commerce and Industry. Thank you for this opportunity to explain why the Kansas Chamber opposes SB 174.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

SLD+ S.B. 2/6/92 Attachment 4-1

SB 174 demands non-union members of a workplace represented by a labor organization pay the union a fee for representing them. If the non-union worker does not pay, SB 174 gives the union the right to sue the worker. Proponents of SB 174 call this proposal a "fair share" service fee.

First of all, how did unions get saddled with the responsibility of representing non-union workers while bargaining for union members? This "burden" to a union is a product of a long and successful effort by the national labor movement in Congress. Without exclusive bargaining rights, unions would compete with non-union workers when it comes time to negotiate contracts with management. If the AFL-CIO feels they are being wronged by being required to represent non-union workers, they should ask Congress to relieve them of the responsibility. That is a bill KCCI would gladly support.

For a moment, lets look at SB 174 from the perspective of the non-union worker. In spite of the fact they have chosen to not join a union at their workplace, federal law demands they abandon their personal right to bargain for themselves with their employer and instead become a forced follower of the union.

Now, if SB 174 is passed, the non-union workers will not only be forced to accept the union as their representative before management, they will also be forced to pay a fee to an organization they have chosen not to join. The undeniable truth of SB 174 is compulsory unionism. If a worker does not wish to pay a union fee, they have only one option, guit their job.

Right-to-Work has a long tradition in Kansas. Every Kansan has the right to work at the labor they choose and the right to choose the organizations they wish to join. Kansas Chamber urges you not to abandon this traditional value by passing SB 174.

Thank you for considering KCCI's concerns with this legislation. I would be happy to attempt to answer any questions.

S L D + S B 2/6/92 Attachment 4-2

Kansas State Council of Machinists Upcoming two pieces of legislation that we ful very strong about and would appreciate any support or help that you can gule us on these matters. We would greatly appreciate seeing your help and support on these. 1) minimum wage till 2) Fair Share Service für #174 Din Padron Larned, Ks. Dist 70" LL-1989, Charles R. Smith Olathe K local 2255 dist. 7/ Judy han Edgeton hh. 2255 Dist Davidt Tanck Parsons, 76, L. L 293 Lh. 2255 Dist 7( Joe Dewney Parsons, Ko 12 293
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## Pan-Western Petroleum, Inc.

GAS AND OIL EXPLORATION AND DEVELOPMENT
ONE TWENTY BUILDING, SUITE 501
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316 263-0542

TOBY ELSTER, PRES.

February 3, 1992

Labor, Industry and Small Business Committee Alicia L. Salisbury, Chairman State Capitol Building Topeka, Kansas 66612

RE: S. 174

Dear Members of the Committee:

I address the Committee by letter as I cannot appear in person and have the following to say on the Agency Shop proposal before the Committee.

I have been a small independent business man in Kansas for over 30 years. I have studied the effects of labor unions on the economy in the US for over 30 years, not in the light of labor per se, but what makes our government function the way it does. I can irrevocably state with complete conviction and honesty that labor unions since approximately 1950 have been one of the most counterproductive organizations in the US economy and it continues today. First they hurt the workers most of all; the ones they are supposed to benefit. Next, they are a detriment to the economic health of our industries.

In the interest of being brief, I cite generally the economic history of the State of Idaho these past ten years. A financially troubled state under union control with a labor controlled governor whose veto of right to work legislation was overridden by their legislators, completely turning the state around. Its financial fortunes and their workers' economic health became a thriving, viable one. Idaho fell into the pattern--flourishing economies in right to work states, decreasing economic health in union dominated states. I cite Ohio, Indiana and other northeastern union dominated states. If one had to point a finger at the one most influential detriments into making these states "The Rust Belt" of idle and empty manufacturing plants, it would have to be the excessiveness of the unions. The auto industry's current problems fall in the same category. The fingers point to the United Auto Workers of 30 years ago who managed labor in the factories. That is not saying that management is faultless, they are not, but the unions are the most to blame.

A look at the labor unions today one finds a well entrenched hierarchy of Washington, D. C. power whose concern is total influence of government.

Sty 15 B 2/4/92 Attachment 64 It has built and sustains this dynasty, which moves our country forever leftward towards socialism, on mandatory dues of its members. It cares not about the members, the workers, except in this one regard--to pay dues. Eighty percent (80%) of this dues money does not go for collective bargaining but mostly for political activity. And that is what this proposed legislation of the agency shop is about. Since the Beck decision (Beck vs CWA), which says a worker who does does not belong to the union only has to pay the 20% of collective bargaining cost, the union's political activity is being brough into line. The Agency Shop bill you are considering is only a foot in the door. Tomorrow comes the move to destory the Right to Work laws enjoyed by the workers. Then watch Kansas' economic viability degress!

The Union structure today is obsolete. Power to negotiate terms and conditions should rest with the locals in "Company" unions—all workers belonging to the same company union. The adverse confrontations that destroy companies (Eastern Air Lines, what is going on with Caterpillar Tractor in Peoria—a strike while the company loses money and half the plant is shut down permenantly, etc.) does not protect jobs! Until the company workers can sit down with management and make sound economic plans to keep the company viable and their jobs secure, the jobs will continue to flee overseas. It seems uncomprehensible that the union hierarchy does not recognize the world economy and its effects on the US labor market and industry that goes on all around them.

I'm well aware that probably the majority of you legislators are beholden to the union because they are the ones who saw to it that you got elected. But, as you look yourself in the eye in your mirror and forget that fact, could you honestly vote for an agency bill that would cost the workers their jobs and cause an absolute loss to the economic welfare of this state. The only answer could be NO, NO, NO!

Thank you for hearing me.

TOBY ELSTER

TE:aw

1x0,1 B 3/6/92 Att 6-2 Mabel Barker

Route 2, Box 10 Oswego, Kansas 67356

Feb. 4, 1992

Senator Alicia Salisbury, Chairperson Labor, Industry and Small Business Committee State Capitol Topeka, Kansas 66612

Senator Salisbury:

I am unable to be present in Topeka for the hearings on SB 174.

Never-the-less, I would like to add my support for the Kansas Right to Work law and against SB 174, which is designed to circumvent that law.

Economically Kansas has fared well with its Right to Work law and unions have not been shut out or prevented from conducting their business.

With the implementation of Beck vs. Communication Workers of America (which has already been approved by the US Supreme Court) this claw would already be null and void.

Thank you for noting my objection to SB 174.

Yours truly, Malul Barker

Mabel Barker

120 + SB 2/6/92 Attachment 7