

**Testimony of Liz Vladeck, Deputy Commissioner of Department of Consumer Affairs for
the Office of Labor Policy & Standards before the
New York City Council Committee on Civil Service and Labor**

**Hearing on Labor Movement in New York City after President Trump,
Resolutions 5820 and 5862**

Thank you, Chairman Miller and Members, for the opportunity to offer testimony today. Our Mayor, the Speaker, and all of you, have shown great leadership in pursuing policies and laws that ensure workers in New York City, particularly the most vulnerable, can care for themselves and their families. Through the collaborative efforts of the Administration and the Council, the Department of Consumer Affairs' ("DCA") Office of Labor Policy and Standards ("OLPS"), which I direct in my role as a DCA Deputy Commissioner, has been established as a dedicated voice in City government for workers in New York City. Together, we have demonstrated the City's commitment to building on its historic role of serving as a laboratory for new, progressive policies. OLPS takes very seriously our mandate: to enforce key workplace laws and rules; to educate workers, employers, and the public about local, state and federal workplace protections; and to conduct original research and use it to advance new policy initiatives that are responsive to a changing economy.

I'm glad to be on this panel today with Director Neale. I would also like to acknowledge the work of our colleagues at the Office of Labor Relations ("OLR"), which represents the Mayor in the conduct of labor relations between the City of New York and the labor unions representing City employees. Under Mayor de Blasio, the City's commitment to collective bargaining with its own workforce has never been stronger. According to OLR, 90 percent of City employees are represented by a union (a total of 337,000 employees in 144 bargaining units). When the Mayor took office, every City collective bargaining agreement ("CBA") was expired. The

Administration has since entered into agreements covering 99.57% of the City's represented workforce and is on track to achieve \$3.4 billion in a landmark labor management health savings agreement that made the first significant changes to the health plans since 1982. The Administration's achievements include negotiating nine-year CBAs for more than 140,000 employees who had not received any wage increases since 2008 and seven-year CBAs for most of the more than 200,000 employees who had not received any wage increases since 2010. More than 100 hundred CBAs were overwhelmingly ratified by union membership and hailed as fiscally responsible by the City's fiscal monitors. Further, the City has worked with our unions to establish wellness programs, joint funds for child and elder care programs, and to create additional education and training opportunities for early education workers.

These are examples of policies that we in New York City know are critical to both protect working families and grow our economy. In contrast to these forward-looking policies, I would like to note some of our concerns about how new federal government priorities could negatively impact enforcement of important workers' rights laws, and discuss the threat posed by right-to-work legislation pending in Congress.

I know that Director Neale from the Mayor's Office of Workforce Development has discussed how the President's proposed budget could negatively impact workers and their families. In addition to slashing resources, there are many ways that the federal administration could hurt workers when it comes to critical workplace standards. The Trump administration's actions on immigration have already had a terrible impact on immigrant workers in our communities. Other harmful actions that the executive branch could pursue unilaterally include: 1) Decreased federal

enforcement dollars to police wage and hour and health and safety violations; 2) Changing priorities that shift enforcement efforts away from vulnerable workforces, where violations can multiply; 3) The recent rollback of the Fair Pay and Safe Workplaces Executive Order (E.O. 13673), that had previously made it more difficult for habitual labor and employment law violators to get federal contracts;ⁱ and 4) Appointments to key leadership roles of individuals with anti-worker and anti-labor agendas (though organizing by stakeholders around the country defeated this administration's first nominee for Labor Secretary, Andrew Puzder, there are still numerous critical positions left to fill.)

Additionally, problematic legislative initiatives, such as the proposed repeal of the federal Davis-Bacon Act, which requires payment of a prevailing wage on federally-funded public works projects, could also pose serious harm to workers and their families.ⁱⁱ Other legislation of concern is a pending National "Right to Work" Act,ⁱⁱⁱ which would undermine unions' ability to organize around the country, and which I'd like to address now. Under current federal law, unions representing private-sector workers must represent all of an employer's employees. But some state right-to-work laws allow workers not to pay dues to the union, even though the union must still represent them, leading to what is known as the "free rider" problem. Dr. Martin Luther King Jr. had this to say about Right to Work laws back in 1961:

In our glorious fight for civil rights, we must guard against being fooled by false slogans, such as 'right to work.' It is a law to rob us of our civil rights and job rights. Its purpose is to destroy labor unions and the freedom of collective bargaining by which unions have improved wages and working conditions of everyone...Wherever these laws have been passed, wages are lower, job opportunities are fewer and there are no civil rights.^{iv}

In other words, and despite its misleading shorthand, right-to-work legislation does nothing to enhance the rights of workers. Instead, a 2015 study by the Economic Policy Institute ("EPI")

found that wages in right-to-work states laws are 3.1 percent lower than those in non-right-to-work states;^v meaning that, on average, full-time salaried workers were earning \$1,558 less per year in right-to-work states compared to other states.^{vi} A 2011 EPI study found that the rate of employer-sponsored health insurance is 2.6 percent lower and the rate of employer-sponsored pensions is 4.8 percent lower in right-to-work states.^{vii} If these conditions were national, two million fewer workers would have employer-sponsored health insurance and 3.8 million fewer workers, employer-sponsored pensions.^{viii}

It is also clear that right-to-work laws undermine unions. Union membership has fallen by 40 percent in Wisconsin since 2010, following the passage of right-to-work laws there.^{ix} Weakening unions threatens workers' incomes, as unionization typically raises wages and improves working conditions. A 2012 EPI study determined that union membership raises compensation of unionized workers by 13.6 percent.^x Unions also benefit women and workers of color. Female union members are paid over thirty percent more than female workers who are not members of a union.^{xi} The pay gap is smaller between men and women in unions than it is between men and women who are not in unions.^{xii} Workers of color benefit disproportionately from union representation, as well. When compared to their counterparts who are not in unions, black workers receive 17.3% more in wages, Hispanic workers receive 23.1% more, and Asian workers receive 14.7% more. Right-to-work laws chip away at all of these benefits for workers.^{xiii}

An argument that is often proffered in support of right-to-work laws is that they bolster employment, competition, and wages. Numerous rigorous studies have found that this is, in fact,

not the case. These studies have shown that right-to-work laws do little to boost employment rates or attract higher-wage manufacturing jobs.^{xiv} Studies and surveys of the manufacturing industry do not indicate that having right-to-work laws is a factor in location decisions.^{xv} Instead, there is evidence that “higher-wage, higher-tech manufacturers” are “drawn to states with “strong education systems, strong research universities, good digital infrastructure and other features....”^{xvi}

Higher wages, infrastructure, strong education; these are all among New York City’s economic commitments under Mayor de Blasio. Our Administration views collaborative relationships with business and labor as critical to sustained, equitable economic growth. That’s why, both in the City’s relationship to its own workforce, and in terms of general minimum labor standards, we have pursued policies that make New York City a leading example of progressive and innovative legislation and other initiatives that benefit working people and strengthen the economy. Unions were major proponents of the New York City Paid Sick Time Law, which OLPS enforces, and which has had a major positive impact on working conditions for non-union and union workers alike. Labor unions have also advocated for increases in the state minimum wage and for the Mayor’s groundbreaking proposed “Fair Workweek” legislation, which, as you know, the Administration is working hard with the Council to move forward. At OLPS, we know that unions help provide important protections, from filing complaints on behalf of aggrieved workers to helping identify problem industries. Because we know that unionization results in important benefits and protections for workers, we oppose attacks on unions and threats to workers’ ability to organize, such as the false slogan of “right to work.” Under Mayor de

Blasio's leadership, we are proud to of the City's record pursuing policies that improve conditions for and empower working people and the organizations that represent them.

ⁱ Revocation of Federal Contracting Executive Orders, Exec. Order No. 13782, 82 Fed. Reg. 15607 (March 27, 2017).

ⁱⁱ Davis-Bacon Repeal Act, H.R.743, 115th Cong. (2017).

ⁱⁱⁱ H.R. 785, 115th Cong. (2017); S. 545, 115th Cong. (2017).

^{iv} Martin Luther King on "right to work," Economic Policy Institute (Apr. 4, 2011), http://www.epi.org/publication/martin_luther_king_on_right_to_work.

^v This is when controlling for a "full set of worker characteristics and state labor market conditions." Elise Gould & Will Kimball, Economic Policy Institute, Briefing Paper No. 395, "Right-to-Work" States Still Have Lower Wages 2 (2015).

^{vi} *Id.*

^{vii} Elise Gould & Heidi Shierholz, Economic Policy Institute, Briefing Paper No. 299, The Compensation Penalty of "Right-to-Work" Laws 2 (2011).

^{viii} *Id.*

^{ix} Molly Beck, Union membership down nearly 40 percent since Act 10, Wisconsin State Journal, Jan. 27, 2017, http://host.madison.com/wsj/news/local/govt-and-politics/union-membership-down-nearly-percent-since-act/article_60c1bb7e-3ae3-57d0-b4b3-a9aa46f0e59f.html.

^x Lawrence Mishel & Matthew Walters, Economic Policy Institute, Issue Brief No. 342, Unions, Inequality, and Faltering Middle-Class Wages 1 (2012).

^{xi} Elise Gould, Jessica Schieder, & Kathleen Geier, Economic Policy Institute, What is the gender pay gap and is it real? 23 (2016).

^{xii} *Id.*

^{xiii} Lawrence Mishel & Matthew Walters, Economic Policy Institute, Issue Brief No. 342, Unions, Inequality, and Faltering Middle-Class Wages 4 (2012).

^{xiv} Elise Gould & Will Kimball, Economic Policy Institute, Briefing Paper No. 395, "Right-to-Work" States Still Have Lower Wages 8 (2015) (internal citations omitted).

^{xv} *Id.* (citing 28th Annual Survey of Corporate Executives: Availability of Skilled Labor New Top Priority, Area Development Magazine (2014)).

^{xvi} *Id.* (citing Robert Atkinson & Nager Adams, Information Technology and Innovation Foundation, The 2014 State Economy Index: Benchmarking Economic Transformation in the States (2014)).