CT WORKING FAMILIES

Testimony of
Carlos Moreno, State Director
Connecticut Working Families Organization

March 4, 2021

Dear Senator Kushner, Representative Porter, Senator Sampson, Representative Arora and Members of the Labor and Public Employees Committee:

Thank you for holding this hearing.

My name is Carlos Moreno. I live in Cornwall, CT and I'm the State Director of the Connecticut Working Families Organization, an anti-racist, multi-racial, progressive political organization that builds power for working people.

We offer testimony in full **SUPPORT** of the following bills:

- **H.B. No. 6475 (RAISED) AN ACT CONCERNING FORCED ARBITRATION AGREEMENTS.**
- **S.B. No. 908 (RAISED) AN ACT CONCERNING THE RIGHT OF A PUBLIC EMPLOYEE TO JOIN OR SUPPORT A UNION.**
- **S.B. No. 906 (RAISED) AN ACT CONCERNING NON-COMPETE AGREEMENTS.**
- **Proposed H.B. No. 6120 AN ACT ESTABLISHING A CONNECTICUT CENTER FOR WORKER OWNERSHIP.**
- **H.B. No. 6537 (RAISED) AN ACT CONCERNING EXPANSION OF PAID SICK DAYS AND DOMESTIC WORKER COVERAGE.**

H.B. No. 6475 (RAISED) AN ACT CONCERNING FORCED ARBITRATION AGREEMENTS (SUPPORT).
The practice of forcing workers to sign employer-controlled arbitration agreements, typically as a condition of hire, means that employees waive their right to sue their employer in court when they want to bring forward claims of discrimination, wage theft and other workplace abuses.

Instead, employers require workers to go through a secret proceeding - without the protections of our court system - in a process that heavily favors outcomes on the part of employers. Many times, workers can't obtain the evidence they need to prove their case, and may not even get a hearing. The arbitrator is a judge-for-hire with an incentive to find in favor of their client, the company. If that's not a clear conflict of interest, then I don't know what is.

The use of forced arbitration is a pervasive problem nationwide, and major employers in the Connecticut, such as Chipotle, McDonald's, Aetna, Lyft, Uber, Walmart, Wells Fargo, Starbucks,

Airbnb, Comcast, Direct TV, AT&T, Macy's, Chase, Best Buy, Nordstroms, and many more use forced arbitration.

Part of the power of forced arbitration is that it dissuades claims from being brought forward in the first place. Workers see violations every day, but know that if they raise the issue, it will yield few results and risk their job. It's simply just not worth it, especially if you work in a low wage job sector.

HB6475 levels the playing field for employees, and puts power back in the hands of workers. It returns their ability to access our court system, a right that they might have waived unknowingly or without their full understanding, which at a moment of hire is not worth the risk of losing a job opportunity.

This is a systemic issue and we hope that the labor committee will vote in favor of this important legislation.

H.B. No. 6537 (RAISED) AN ACT CONCERNING EXPANSION OF PAID SICK DAYS AND DOMESTIC WORKER COVERAGE (SUPPORT).
There are two major flaws with Connecticut's paid sick days standard:

1. The business size is far too high at 50 employees. Too many employees are carved out., about half of all hourly employees who need coverage. The second highest business threshold is 15 employees in Arizona and the third is 11 employees in our neighboring state of Massachusetts. All other laws in the country apply to smaller businesses.
2. The list of job classifications is arbitrary, exclusionary, and insufficient. No other paid sick days law in the country does this, everywhere else paid sick days are universal with maybe one or two job classification exemptions.

Here is a list of jurisdictions that have passed paid sick days laws or referenda since Connecticut's law went into effect in 2012, and who all have the low employee thresholds and universal coverage as described above:

- Seattle, Washington
- New York City, New York
- Portland, Oregon
- Jersey City, New Jersey
- State of California
- State of Massachusetts
- Oakland, California
- Newark, New Jersey
- East Orange, New Jersey
- Irvington, New Jersey
- Passaic, New Jersey
- Paterson, New Jersey
- Montclair, New Jersey
- Trenton, New Jersey
- State of Oregon
- State of New Jersey
- State of Arizona
- Emeryville, California
- Montgomery County, Maryland
- Bloomfield, New Jersey
- Elizabeth, New Jersey
- New Brunswick, New Jersey
- Philadelphia, Pennsylvania
- Pittsburgh, Pennsylvania
- Tacoma, Washington
- State of Vermont

- Los Angeles, California
- Santa Monica, California
- Plainfield, New Jersey
- Spokane, Washington
- Minneapolis, Minnesota
- San Diego, California
- Chicago, Illinois
- Berkley, California
- St. Paul, Minnesota
- Morristown, NJ
- Cook County, Illinois
- State of Washington
- State of Maine
- State of Maryland
- State of Michigan
- State of Rhode Island
- State of Vermont
- State of Washington

The current law is not good enough. Connecticut has fallen behind on its protections for workers who need a few days of sick time every year for medical care and minor illnesses. Our current law is the weakest with the most unjustifiable exemptions and carve-outs. HB6537 would bring our standard more in line with our neighboring states and cities.

S.B. No. 908 (RAISED) AN ACT CONCERNING THE RIGHT OF A PUBLIC EMPLOYEE TO JOIN OR SUPPORT A UNION (SUPPORT).

"Right to work" laws are an attack on all Connecticut Families**.** The out-of-state millionaires and billionaires who are working with extreme politicians here in Connecticut to push Right to Work don't care if you live in a union household or a non-union household because so-called Right to Work lowers wages for all families. Everyone who lives in Right to Work states make up to $5,000 less per year than folks who do the same job in Non-Right to Work states.

According to research, right-to-work states have lower wages, lower union density, and even lower voter turnout.[1] Moreover, despite proponents' claims, research finds that right-to-work laws have no positive impact on job creation.

So-called "right to work" laws are designed to cripple organized labor. They permit workers who decide not to unionize to fully benefit from union representation - including higher wages, benefits, training, safety and protection from unfair discipline—without having to pay for it.

It's a subversive and nefarious attempt by outside interests funding anti-worker groups in Connecticut, like the Yankee Institute, to kill unions. Further, Connecticut's unfair tax system in tandem with a decade of austerity and state workforce cuts under Governor Malloy, as well as state employee concessions under Malloy and Lamont has led to the shrinking of Connecticut's middle class. If lawmakers truly want Connecticut to be a place where you can work, raise kids and retire, then protecting unions is paramount.

H.B. No. 6120 AN ACT ESTABLISHING A CONNECTICUT CENTER FOR WORKER OWNERSHIP (SUPPORT).

The gap in wealth between Connecticut's ultra wealthy and everyone else has reached its widest point this year at second in the nation - just behind New York. Our state was bounced between third and fourth ranked for the last few years, but has now firmly taken hold of the second place ranking. It's clear that the pandemic has exacerbated inequalities, but this is magnified even more in

[1] https://www.epi.org/publication/right-to-work-states-have-lower-wages/

Connecticut.

One way to narrow the divide is through the use of worker ownerships, in the form of an employee stock ownership plan (ESOP) or cooperative (COOP) business model.

This bill would create a statewide center to educate and help business owners convert existing businesses, or start new businesses, in those ownership models. Both of these models center on the fact that the workers have an ownership stake in the businesses where they work. The main difference is COOPs are more democratically controlled, allowing workers / members to vote on company leadership.

This center would help on multiple economic and labor fronts. Workers will have more control over their workplace and enjoy a greater share of the wealth they produce by being co-owners. Businesses that convert to one of these models will be much more likely to stay in our state, as the local workers will also be the owners of the companies.

S.B. No. 906 (RAISED) AN ACT CONCERNING NON-COMPETE AGREEMENTS (SUPPORT).
Noncompete agreements ban workers at one company from going to work for, or starting, a competing business within a certain period of time after leaving a job. It is not difficult to see that noncompetes weaken the ability for workers to earn a living, advance their careers, and develop more skills and mastery in their chosen professions. More so, they contribute to weak wage growth, given that changing jobs is how workers often get a raise. And given that noncompetes limit the ability of individuals to start businesses or take other jobs, it also is not difficult to see that noncompetes may be contributing to the declines in entrepreneurialism in the U.S. labor market.

SB906 prohibits the use of non competes among low wage workers. That's a good start, but this practice, which used to be limited to top executives with access to trade secrets and is now utilized wantonly, should also be prohibited among middle income workers without managerial responsibilities. Noncompetes are a drag on economic growth because they keep wages low and stifle entrepreneurship. It's another example of modern day exploitation of labor. If we want to create a more equitable and fair system for workers and budding capitalists, then we should ban the practice altogether.

Don't take it from me. Listen to one forward looking CEO at Thumbtack, a company that helps customers find and hire local service professionals. He said, "we have chosen to eliminate non-compete agreements for all employees regardless of location, role and salary. It is always hard to see a talented and valued employee leave for another opportunity, but I see that our employees' freedom to work wherever they want in the future benefits not only them, but our industry overall."[2]

[2] https://www.cnn.com/2020/08/03/perspectives/non-compete-clauses-thumbtack/index.html