

ALASKA LEGISLATURE COMMITTEE FILES 1999-2000 8672

10105 SENATE LABOR & COMMERCE

US Department of Labor, bureau of Labor Statistics, Occupational Employment Statistics
 1998 by State and Occupation
 Median Hourly Wage

OES Code Occupation	Alaska	Washington	Texas	Louisiana
19999 All Other Managers and Administrators	\$ 26.55	\$ 25.33	\$ 22.91	\$ 19.18
21108 Loan Officers	\$ 20.71	\$ 17.13	\$ 17.10	\$ 15.08
25105 Computer Programmers	\$ 24.28	\$ 22.80	\$ 24.32	\$ 19.94
27305 Social Workers except Medical and Psychiatric	\$ 16.80	\$ 16.71	\$ 9.83	\$ 14.24
28108 Lawyers	\$ 39.22	\$ 36.03	\$ 39.11	\$ 31.39
31214 English Language & Literature Teachers (post secondary)	\$ 59,740	\$ 40,410	\$ 40,530	\$ 34,220
31305 Elementary School Teachers	\$ 51,510	\$ 39,100	\$ 35,470	\$ 35,080
32502 Registered Nurses	\$ 22.37	\$ 21.84	\$ 18.93	\$ 19.57
43002 Sales Agent - Insurance	\$ 17.09	\$ 15.47	\$ 15.52	\$ 13.85
49011 Retail Sales	\$ 9.23	\$ 8.76	\$ 7.39	\$ 6.86
49023 Cashiers	\$ 8.18	\$ 7.96	\$ 6.40	\$ 6.12
53102 Tellers	\$ 9.50	\$ 9.29	\$ 8.33	\$ 7.53
53808 Hotel Desk Clerks	\$ 8.03	\$ 7.60	\$ 6.86	\$ 6.73
55108 Secretary except Legal and Medical	\$ 13.46	\$ 12.37	\$ 10.74	\$ 9.40
61005 Police and Detective Supervisor	\$ 32.61	\$ 30.82	\$ 20.20	\$ 15.46
63008 Firefighter	\$ 19.90	\$ 21.94	\$ 15.10	\$ 10.37
65005 Bartender	\$ 9.94	\$ 7.28	\$ 5.88	\$ 5.94
65026 Cook - Restaurant	\$ 9.48	\$ 8.58	\$ 6.91	\$ 6.85
67002 Maids and Housekeepers	\$ 8.36	\$ 7.49	\$ 5.95	\$ 5.98
79002 Forest and Conservation Workers	\$ 14.03	\$ 14.02	na	\$ 11.47
85302 Auto Mechanic	\$ 17.42	\$ 14.11	\$ 12.81	\$ 12.22
87102 Carpenter	\$ 19.81	\$ 17.59	\$ 11.58	\$ 12.66
87202 Electrician	\$ 24.21	\$ 20.20	\$ 14.79	\$ 14.74
87502 Plumbers Pipefitters and Steamfitters	\$ 27.92	\$ 21.45	\$ 14.73	\$ 15.01
87921 Roustabout	\$ 17.34	na	\$ 8.68	\$ 9.47
89132 Sheetmetal Worker	\$ 22.95	\$ 17.18	\$ 10.96	\$ 11.15
93935 Cannery Worker	\$ 7.46	\$ 7.70	\$ 6.71	\$ 6.52
97102 Truck Driver - Heavy or Tractor Trailer	\$ 16.85	\$ 15.11	\$ 11.57	\$ 10.97
97514 Able Seaman	\$ 16.03	\$ 17.60	\$ 12.69	\$ 11.00
97956 Operating Engineer	\$ 25.98	\$ 21.43	\$ 14.42	\$ 13.95
97108 Bus Driver	\$ 10.68	\$ 14.10	\$ 11.56	\$ 9.56
87999 All Other Construction & Extraction Workers except Helpers	\$ 18.93	\$ 17.34	\$ 9.74	\$ 9.32

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SB 230

Revision Date/Time (Note if correction): _____
 Title: Right to Work
 Sponsor: Senator Green
 Requestor: Senate L&C

Department Affected: Labor
 BRU: Office of the Commissioner
 Component: Commissioner's Office
 COMPONENT SERIAL NO. 340

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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CHANGE IN REVENUE FUND SOURCE #						
--	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY00) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

This bill would prohibit collective bargaining contracts that require employees to join or financially support a labor or employee organization as a condition of employment or continuation of employment. The department does not anticipate an increase in operating costs as a result of this legislation.

Prepared by: Remond Henderson, Director *Remond Henderson* Phone: 465-2720
 Division: Administrative Services Date/Time: 2/29/00 10:59 AM
 Approved by Commissioner: Ed Flanagan, Commissioner *Ed Flanagan*
 Agency: Department of Labor Date: 2/29/00

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SENATE LABOR & COMMERCE COMMITTEE

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Juneau, AK 99801-1118

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AGENDA

SB 230, Right to Work.

SB 272, Workers' Comp. & Workers' Safety.

ALASKA STATE LEGISLATURE



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SENATOR LYDA GREEN
SENATE DISTRICT N

SB 230 "Right to Work" Index of Support Information

Sponsor Statement SB 230 "Right to Work"

SB 230 "Right to Work"

Articles

"Hospital worker files complaint over union dues" by Allen Baker (AP) Anchorage Daily News

News Release National Right to Work Foundation

"Right to Work States Continue Tradition of Economic Growth" by David Kendrick

Op-Ed piece by Stephan Goodrick, V.P. National Right to Work Committee

Right to Work Laws in Other States

Texas

Wyoming

Virginia

South Dakota

Arizona

National Institute for Labor Relations Research

"Unions and Right to Work Laws"

National Right to Work

Frequently Asked Questions -FAQ

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SENATOR LYDA GREEN
SENATE DISTRICT N

Sponsor Statement

SB 230

Right to Work

The goal of SB 230, "Right to Work" legislation, is to allow individuals the opportunity to work in any given profession or industry for which they qualify. Union membership may be one of the choices an employee may make, however union membership should not be a requirement for employment or maintaining employment. Every employee should be free to join a union, but should not be compelled to join a union. Assuring individual freedom is the vitally important issue. States that have "Right to Work" laws have experienced greater economic growth, lower unemployment rates and higher wages. I would like Alaska to have the opportunity to experience that same positive growth.

Senator_Lyda_Green@legis.state.ak.us

Alexander Creek • Big Lake • Butte • Caswell • Chickaloon • Chulitna • Finger Lake • Goose Bay • Hatcher Pass • Houston
Knik • Kashwitna • Lake Louise • Lazy Mountain • Montana Creek • Nancy Lake • Nelchina • Palmer • Petersville • Point Mackenzie
Sheep Mountain • Skwentna • Sunshine • Sutton • Talkeetna • Trail Lakes • Trapper Creek • Wasilla • Willow

SENATE BILL NO. 230

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY SENATOR GREEN

Introduced: 1/31/00

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the relationship between employees and labor organizations;
2 and prohibiting collective bargaining contracts that require employees to join a
3 labor or employee organization; and providing for an effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * Section 1. AS 23.40.225 is repealed and reenacted to read:

6 **Sec. 23.40.225. Prohibition against union shop or agency shop provisions**
7 **in collective bargaining agreements.** A collective bargaining agreement entered into
8 under AS 23.40.210 or an agreement entered into after arbitration under AS 23.40.200
9 shall comply with AS 23.40.300 - 23.40.350.

10 * Sec. 2. AS 23.40 is amended by adding new sections to read:

11 **Article 3. Freedom of Choice.**

12 **Sec. 23.40.300. Declaration of policy.** It is the policy of the state, in order
13 to maximize individual freedom of choice in the pursuit of employment and to
14 encourage an employment climate that is conducive to economic growth, that the right

1 to work is not subject to undue restraint or coercion. The right to work may not be
2 infringed or restricted in any way based on membership in, affiliation with, or financial
3 support of a labor organization or based on an individual's refusal to join, affiliate
4 with, or support in any way a labor organization.

5 **Sec. 23.40.310. Freedom of choice guaranteed.** (a) A person may not be
6 required as a condition of employment or of the continuation of employment to

7 (1) resign from or refrain from voluntary

8 (A) membership in a labor organization;

9 (B) affiliation with a labor organization;

10 (C) financial support of a labor organization;

11 (2) become or remain a member of a labor organization;

12 (3) pay dues, fees, assessments, or other charges of any kind to a labor
13 organization;

14 (4) pay to a charity or other third party, in lieu of payments to a labor
15 organization, dues, fees, assessments, or charges of any kind in an amount equivalent
16 to, or that is a pro rata portion of, the dues, fees, assessments, or other charges paid
17 to a labor organization;

18 (5) be referred, recommended, approved, or cleared for hiring or for
19 continued employment by or through a labor organization.

20 (b) An employer may only deduct dues, fees, assessments, or other charges for
21 a labor organization from the compensation of an employee if the employee has
22 authorized the deduction by filing a signed, written authorization for the deductions
23 with the employer. An employee may revoke an authorization filed under this
24 subsection at any time by giving written notice of the revocation to the employer.

25 (c) An agreement, understanding, or practice, whether written or oral, implied
26 or expressed, between a labor organization and an employer that violates the rights of
27 employees guaranteed by this section is void. A strike, picket, boycott, or other action
28 by a labor organization for the purpose of inducing or attempting to induce an
29 employer to enter into an agreement that is contrary to this section is a violation of
30 this section.

31 (d) A person, a labor organization, or an officer, agent, or member of a labor

1 organization may not

2 (1) compel or attempt to compel by means of a threat, intimidation, or
3 other coercion an employee to join, affiliate with, or financially support a labor
4 organization or to refrain from doing so; or

5 (2) cause or attempt to cause an employee to be denied employment
6 or discharged from employment by inducing or attempting to induce another person
7 to refuse to work with the employee because the employee supports or fails to support
8 a labor organization.

9 **Sec. 23.40.320. Criminal and civil penalties.** (a) A person who knowingly
10 violates a provision of AS 23.40.300 - 23.40.350 directly or indirectly is guilty of a
11 class B misdemeanor. In this subsection, "knowingly" has the meaning given in
12 AS 11.81.900.

13 (b) An employee who is injured as a result of a violation or threatened
14 violation of AS 23.40.300 - 23.40.350 is entitled to injunctive relief, damages, or both,
15 against a person who violates AS 23.40.300 - 23.40.350 to prevent or redress a
16 violation of those sections. A court may award costs and reasonable attorney fees to
17 a party entitled to injunctive relief or damages.

18 (c) The attorney general shall investigate complaints of a violation of
19 AS 23.40.300 - 23.40.350 and shall prosecute persons who have violated AS 23.40.300
20 - 23.40.350.

21 **Sec. 23.40.350. Definition for AS 23.40.300 - 23.40.350.** In AS 23.40.300 -
22 23.40.350, "labor organization" means an organization of any kind, an agency, an
23 employee representation committee, or a union that exists at least partly for the
24 purpose of dealing with employers concerning wages, hours, and other terms and
25 conditions of employment.

26 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section
27 to read:

28 **PROSPECTIVE APPLICABILITY OF THIS ACT.** The provisions of this Act do not
29 apply to an act or omission authorized or required under a contract entered into before the
30 effective date of this Act or under a renewal or extension of a contract if the renewal or
31 extension is entered into before the effective date of this Act.

1 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).



Anchorage Daily News

Friday, February 25, 2000

Hospital worker files complaint over union dues

By ALLEN BAKER
The Associated Press

An emergency room technician at Alaska Regional Hospital filed a complaint with the National Labor Relations Board on Thursday after receiving a letter saying he would be fired if he didn't pay dues to the Laborers' Union representing workers there.

"I'm not anti-union," said Mark Baker, 29, in an interview Thursday. "I wouldn't say I'm pro-union. I'm against this particular union. They haven't really done anything.

"Mostly I'm against how they're threatening people to get them to join without telling them their rights."

Baker mounted his challenge with the help of the National Right to Work Legal Defense Foundation Inc., which provided a lawyer for him free of charge.

The NLRB complaint says the union has not informed workers of their right to pay reduced dues, and has repeatedly threatened employees if they didn't pay full union dues.

The Feb. 18 letter Baker received from business manager Mano Frey of Local 341 of the Laborers' International Union of North America says workers need to sign an authorization for dues to be deducted from their pay.

"We don't fear any legal challenge," Frey said. "In Alaska, it is legal to have a provision of union security in bargaining agreements. That provision was ratified by a vast majority of the people we represent."

Baker and representatives of the right-to-work organization say workers can't be required to join a union. They say federal law requires the union to spell that out for workers before trying to collect dues.

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NEWS RELEASE

National Right to Work Legal Defense Foundation
8007 Braddock Road, Springfield, VA 22160
703-321-8518 | FAX: 703-321-9613 | www.nrtw.org

For Release: February 24, 2000

Contact: Duncan Clark (703) 321-8510
Stefan Gleason (703) 303-2496

Anchorage Hospital Employees File Federal Charges Against Laborers' Union over Illegal Threats

Foundation attorneys seek injunction to halt union's threats to have employees fired

Anchorage, Alaska (February 24, 2000) – Alaska Regional Hospital employees, assisted by National Right to Work Foundation attorneys, filed unfair labor practice charges today against Laborers' International Union of North America (LIUNA) Local 341, challenging the legality of its demands for the payment of union dues.

The union hierarchy has threatened, in writing, to cause the firing of employees on Tuesday, February 29. Accordingly, the charges filed today by Foundation attorneys at the National Labor Relations Board also request an immediate injunction.

Charging party Mark Baker and other hospital employees are not members of the union, as is their right under numerous decisions of the U.S. Supreme Court, including the Foundation-won *Beck* decision. Nevertheless, in flagrant violation of their legal rights, union officials demand that Mr. Baker (and others) join the union, pay full union dues, or sign payroll deduction cards. In addition, union bosses are illegally threatening to force the employer, Alaska Regional Hospital, to terminate any employees who fail to comply immediately with its demands. The union has made this illegal demand in writing to employees, most recently in a letter dated February 18, 2000.

LIUNA Local 341 union officials have never informed the workers of their right to remain nonmembers or their right to pay only reduced financial core fees, as required by the U.S. Supreme Court. "The union officials' wanton disregard of workers' fundamental rights is reprehensible," said Stefan Gleason, Vice President of the National Right to Work Legal Defense Foundation.

Foundation attorneys are seeking retroactive remedies for the employees, including refunds of dues illegally seized. In addition, because the charging party and others are being threatened with termination, they are also seeking immediate injunctive relief under federal law.

The National Right to Work Legal Defense Foundation is a nonprofit, charitable organization providing free legal aid to employees whose human or civil rights have been violated by compulsory unionism abuses. The Foundation, which can be contacted toll-free at 1-800-336-3600, is assisting thousands of employees in nearly 500 cases nationwide. Its web address is www.nrtw.org.

(Call the Foundation for interviews.)

###

June 10, 1998

RIGHT TO WORK STATES CONTINUE TRADITION OF ECONOMIC GROWTH

by David Kendrick

Workers in Right to Work states are free to decide for themselves whether a union deserves their financial support. A mountain of evidence built up over decades shows the positive effects of Right to Work on job and income growth.

EMPLOYMENT STATISTICS

Earlier this year, both the Osage Nation and Seneca-Cayuga Tribe exercised their sovereignty by enacting Right to Work laws in the non-Right to Work state Oklahoma. Osage Nation Principal Chief Charles Tillman said that the tribes Right to Work law would, "create additional jobs, competitive wages and a more stable economy for the Osage Tribe and Oklahoma." Data from the US Labor Department's Bureau of Labor Statistics backs up Tillman's claim:

- ◆ The 21 Right to Work states have had lower unemployment rates than the non-Right to Work states in every year but four since 1978.

- ◆ Since 1977, the Right to Work states have created non-farm jobs at a pace twice that of the non-Right to Work states.
- ◆ In the heavily-unionized and high-paying construction industry, Right to Work states have created jobs at a rate almost one-third greater than the non-Right to Work states since 1977.
- ◆ In the high-wage manufacturing sector, the Right to Work states have gained over 800,000 jobs since 1977 while the compulsory unionism states lost almost 2 million jobs.

State legislatures which maintain compulsory unionism aren't only forcing employees to pay union dues just to keep their jobs. They're also forcing high-paying jobs out of their states.

Governor Frank Keating is one politician who is aware that Oklahoma's lack of a Right to Work law is costing that state's residents jobs. Businesses "simply look the other way," Keating said, when asked about Right to Work in March of this year.¹

Insight Research Corporation, a company which performs business location searches for Fortune 500 firms, confirms Governor Keating's observation. Fully 90% of companies who plan extensions or relocations use Right to Work as one of their first "kickout" criteria.² These companies know that compulsory unionism is bad for business; employees in Right to Work states know it, too.

MANUFACTURING GROWTH

Manufacturing jobs pay higher wages than the national average; the opening of a new factory brings many new, high-paying jobs and can raise the standard of living in many communities.

The Right to Work states have done a better job attracting new manufacturing jobs to their cities.

- ◆ The number of manufacturing establishments with 20 or more employees increased 20.2% since 1977 in the Right to Work states while the number of similar establishments in the non-Right to Work states declined by .3%.
- ◆ Since 1977, new capital expenditures increased 11% more in the Right to Work states than in the non-Right to Work states.
- ◆ The Right to Work states' growth in value added by manufacture since 1977 was over 50% greater than that of the non-Right to Work states.
- ◆ The number of manufacturing production workers increased 8.4% in the Right to Work states since 1977, while the number of similar workers fell 19.5% in the non-Right to Work states.

INCOME GROWTH

It isn't just employment that is growing faster in the Right to Work states. The same pattern of higher growth also holds for income and wages.

- ◆ Since 1977, personal income in Right to Work states has grown almost 25% faster in the Right to Work states than in the non-Right to Work states.
- ◆ Hourly earnings of manufacturing employees increased 13.5% more in the Right to Work states from 1977-1996 than in the non-Right to Work states.
- ◆ The typical urban family in a Right to Work state has \$2,852 more in after-tax purchasing power than the same family would in a non-Right to Work state.³

¹ Susan Parrott, "State Right to Work Law Urged at Tribal Signing," *Daily Oklahoman*, March 17, 1998.

² M. Elizabeth Morris, President and Chief Economist for Insight Research Corporation, letter to State Senator Jim Congrove (CO), February 19, 1998.

³ James T. Bennett, *A Higher Standing of Living in Right-to-Work States* (Springfield, VA: National Institute for Labor Relations Research, 1994) p. 4.

RATE OF INCREASE

Non-Agricultural Employees (1977-1997)	Right to Work States.....	72.9%
	Forced Union States.....	36.5%
	National Average.....	48.7%
<small>(Source: Department of Labor, Bureau of Labor Statistics)</small>		
Manufacturing Employment (1977-1997)	Right to Work States.....	14.3%
	Forced Union States.....	-13.1%
	National Average.....	-5.2%
<small>(Source: Department of Labor, Bureau of Labor Statistics)</small>		
Construction Employment (1977-1997)	Right to Work States.....	53.6%
	Forced Union States.....	41.6%
	National Average.....	46.8%
<small>(Source: Department of Labor, Bureau of Labor Statistics)</small>		
Manufacturing Production Workers (1977-1996)	Right to Work States.....	8.4%
	Forced Union States.....	-19.5%
	National Average.....	-11.1%
<small>(Source: Department of Commerce, Bureau of the Census)</small>		
Manufacturing Establishments (1977-1992)	Right to Work States.....	18.7%
	Forced Union States.....	1.2%
	National Average.....	6.1%
<small>(Source: Department of Commerce, Bureau of the Census)</small>		
Manufacturing Establishments with 20 or more Employees (1977-1992)	Right to Work States.....	20.2%
	Forced Union States.....	-.3%
	National Average.....	5.2%
<small>(Source: Department of Commerce, Bureau of the Census)</small>		
Capital Expenditures (1977-1997)	Right to Work States.....	205.2%
	Forced Union States.....	184.2%
	National Average.....	191.9%
<small>(Source: Department of Commerce, Bureau of the Census)</small>		
Personal Income (1977-1997)	Right to Work States.....	404.8%
	Forced Union States.....	322.6%
	National Average.....	346.7%
<small>(Source: Department of Commerce, Bureau of Economic Analysis)</small>		

Hourly Earning by Manufacturing Employees (1977-1997)	Right to Work States.....	145.2%
	Forced Union States.....	131.9%
	National Average.....	133.4%

(Source: Department of Labor, Bureau of Labor Statistics)

Average Weekly Earnings of Manufacturing Production Workers (1977-1997)	Right to Work States.....	155.7%
	Forced Union States.....	141.2%
	National Average.....	142.9%

(Source: Department of Commerce, Bureau of the Census)

Value Added by Manufacture (1977-1996)	Right to Work States.....	274.5%
	Forced Union States.....	171.1%
	National Average.....	199.2%

(Source: Department of Commerce, Bureau of the Census)

Unemployment (1977-1997)	Right to Work States.....	6.2%
	Forced Union States.....	6.9%
	National Average.....	6.6%

(Source: Department of Labor, Bureau of Labor Statistics)

Alaska Needs a Right to Work Law:

New Job-Creation Study Proves It

By Stephen Goodrick

Job growth in Alaska and other non-Right to Work states is being handicapped by federal labor-law provisions that authorize firing workers for refusal to pay tribute to a union.

This is the inescapable conclusion for any reader of a new study by the respected Cambridge, Mass., research firm Cognetics, Inc. who is familiar with the 21 state Right to Work laws.

State Right to Work laws protect private-sector employees from the coercive federal labor-law provisions that would otherwise force them to join or pay dues or "fees" to a union as a job condition.

They also bar forced union dues and "fees" for state and local government employees and teachers.

Cognetics concludes that eight of the top 10 states, eight of the top 10 large metro areas, and nine of the top 10 small metro areas for fast-growing companies are Right to Work states or wholly located within Right to Work states.

Alaska comes in 38th of the 50 states in the study (*Entrepreneurial Hot Spots*), whose rankings measure "the

actual, recorded frequency with which new firms start and young firms grow in different places."

Right to Work states' experience refutes the Big Labor premise that "too much" freedom is bad for workers.

The simple fact is, more often than not, trampling on employees' Right to Work does them substantial economic harm.

Alaska's experience is a case in point.

According to U.S. Department of Labor data, between 1968 and 1998 Alaska's average per capita income fell by 22% relative to the average in Right to Work states

And this sharp relative decline is merely an extreme example of the dismal trend in non-Right to Work states.

Overall, average per capita income in non-Right to Work states fell by 9% relative to the average in Right to Work states between 1968 and 1998.

The lesson is clear. Forced unionism actually limits opportunities for workers by dampening economic dynamism.

In a soon-to-be-published study, Dr. James T. Bennett, a senior faculty member of the Nobel Prize-winning Department of Economics at George Mason University, compiles statistics that bear clear witness to this fact.

Using data from the new edition of the respected *Places Rated Almanac*, authored by journalist David Savageau and statistician Ralph D'Agostino, Dr. Bennett compares household incomes for metropolitan areas in Right to Work and non-Right to Work states.

Dr. Bennett finds that the median household income for Right to Work states is \$2333 higher than the median for forced-dues states, when Right to Work states' lower taxes and living costs are taken into account.

Naturally, apologists for perpetuating compulsory unionism in Alaska routinely ignore the facts cited above when they debate Right to Work's economic impact.

The truth is that union bosses and their allies cannot offer any justification for forced union dues -- other than their own self-interest -- that withstands a minute's scrutiny. And the vast majority of legislators know this.

But so far a number of weak-kneed legislators who have a somewhat exaggerated view of Organized Labor's political clout have collaborated with forced-unionism apologists to block enactment of a Right to Work law in Alaska.

It is a tribute to the persistence of thousands of citizens, led by the Alaska members of the National Right to Work Committee, that change is on the horizon.

On Thursday, March 2, the Alaska House of Representatives' Committee on State Affairs will hold its first hearing in years on a state Right to Work measure (H.B.309).

I have accepted freedom-loving House members' kind invitation and will be in Juneau to testify about the many benefits of Right to Work legislation.

How much further will Alaska have to fall behind the Right to Work states in job and income growth before a

critical mass of legislators exercise the good sense and political wisdom to pass a Right to Work law for Alaskans?

Actually, it's up to you and other concerned citizens to keep turning up the heat until the Legislature does the right thing.

I urge you to get in touch with your state representative and state senator immediately. Ask them to push for enactment of H.B.309 and its Senate companion, S.B.230, immediately after the hearing.

(If you need help tracking your legislators down, please contact the National Right to Work Committee's state legislative department at 1-800-325-7892.)

For far too long, Alaska's economy has been held hostage to a handful of union bosses who enjoy inordinate legal privileges over individual employees. But citizens like you have the power to end Big Labor's free ride.

Stephen Goodrick is vice president of the National Right to Work Committee, a 2.2 million-member citizens' group based in Springfield, Va.



Right to Work Laws

TEXAS

Texas Codes Ann. Title 3 §§ 101.003, 004, 052, 053, 102, 111, 121, 122, 124

§ 101.003. Right to Bargain

A person's inherent right to work and to bargain freely with the person's employer, individually or collectively, for terms of the person's employment may not be denied or infringed by law or by any organization. (Enacted 1993.)

§ 101.004. Contract for Withholding Union Dues from Employee's Compensation Void Without Employee's Consent

A contract that permits or requires the retention of part of an employee's compensation to pay dues or assessments on the employee's part to a labor union is void unless the employee delivers to the employer the employee's written consent to the retention of those sums. (Enacted 1993.)

§ 101.052. Denial of Employment Based on Labor Union Membership Prohibited

A person may not be denied employment based on membership or nonmembership in a labor union. (Enacted 1993.)

§ 101.053. Contract Requiring or Prohibiting Labor Union Membership Void

A contract is void if it requires that, to work for an employer, employees or applicants for employment:

- (1) must be or may not be members of a labor union; or
- (2) must remain or may not remain members of a labor union. (Enacted 1993.)

§ 101.102. Legislative Findings; Policy

(a) The legislature finds that because the activities of labor unions affect the economic conditions of the country and the state by entering into almost all business and industrial enterprises, labor unions affect the public interest and are charged with a public use.

(b) Workers must be protected without regard to whether they are unionized. The right to work is the right to live.

(c) The policy of this state, in the exercise of its sovereign constitutional police power, is to regulate the activities and affairs of labor unions and officers, agents, organizers, and representatives of labor unions, as provided in this subchapter. (Enacted 1993)

§ 101.111. Fee for Privilege to Work Prohibited

(a) A labor union, a labor organizer, or an officer, member, agent, or representative of a labor union may not collect, receive, or demand, directly or indirectly, a fee as a work permit or as a condition for the privilege to work from a person who is not a member of the union. (Enacted 1993.)

(b) Subsection (a) does not prevent the collection of an initiation fee as provided by Section 101.113.

§ 101.121. Civil Penalty

A labor union that violates a provision of this subchapter is liable for a civil penalty not to exceed \$1,000 for each violation. The civil penalty may be recovered in the name of the state, acting through an enforcement officer, in a court of competent jurisdiction.

§ 101.122. Enforcement by Civil Process

(a) A district court on the application of the state acting through an enforcement officer, to issue a restraining order, a temporary or permanent injunction, or any other writ of process appropriate to enforce this subchapter.

(b) A proceeding under Subsection (a) shall be instituted, prosecuted and tried in the same manner as another civil case of a similar nature in the district court.

§ 101.124. Enforcement officers

The attorney general, and each district attorney and county attorney, within the attorney's respective jurisdiction, shall;

- (1) prosecute all criminal proceedings under this subchapter; and
- (2) institute and maintain all civil proceedings under this subchapter.



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Right to Work Laws

WYOMING

Wyo. Stat. Ann. §§ 27-7-108. through 115.

§ 27-2-108. Right to work; definitions.

(a) The term "labor organization" means any organization, or any agency or employee representation committee, plan or arrangement, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

(b) The term "person" shall include a corporation, association, company, firm or labor organization, as well as a natural person. (Enacted 1963.)

§ 27-7-109. Right to work; membership in labor organization not required.

No person is required to become or remain a member of any labor organization as a condition of employment or continuation of employment. (Enacted 1963.)

§ 27-7-110. Right to work; abstention from membership in labor organization not required.

No person is required to abstain or refrain from membership in any labor organization as a condition of employment or continuation of employment. (Enacted 1963.)

§ 27-7-111. Right to work; payment or nonpayment of dues not required.

No person is required to pay or refrain from paying any dues, fees, or other charges of any kind to any labor organization as a condition of employment or continuation of employment. (Enacted 1963.)

§ 27-7-112. Right to work; connection with or approval by labor organization not required.

No person is required to have any connection with, or be recommended or approved by, or be cleared through, any labor organization as a condition of employment or continuation of employment. (Enacted 1963.)

§ 27-7-113. Right to work; misdemeanor to impose or try to impose prohibited requirements; civil liability.

Any person who directly or indirectly places upon any other person any

requirement or compulsion prohibited by this act [§§ 27-7-108 through 27-7-115], or who makes any agreement written or oral, express or implied, to do so, or who engages in any lockout, layoff, strike, work stoppage, slow down, picketing, boycott or other action or conduct, a purpose or effect of which is to impose upon any person, directly or indirectly, any requirement or compulsion prohibited by this act, is guilty of a misdemeanor and shall also be liable in damages to any person injured thereby. (Enacted 1963.)

§ 27-7-114. Right to work; injunction against prohibited conduct.

Any person injured or threatened with injury by any action or conduct prohibited by this act [§§ 27-7-108 through 27-7-115] shall, notwithstanding any other law to the contrary, be entitled to injunctive relief therefrom. (Enacted 1963.)

§ 27-7-115. Right to work; penalties.

Any person convicted of a misdemeanor, as defined in this act [§§ 27-7-108 through 27-7-115], shall be punished by a fine not to exceed one thousand dollars (\$1,000.00), or imprisonment in the county jail for a term not to exceed six (6) months, or both. (Enacted 1963.)



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Right to Work Laws

VIRGINIA

Va. Code Ann. §§ 40.1-58 through 40.1-69

Article 3.

Denial or Abridgment of Right to Work.

§ 40.1-58. Policy of article. -- It is hereby declared to be the public policy of Virginia that the right of persons to work shall not be denied or abridged on account of membership or nonmembership in any labor union or labor organization. (Enacted 1947; amended 1970.)

§ 40.1-58.1. Application of article to public employers and employees. -- As used in this article, the words, "*person*," "*persons*," "*employer*," "*employees*," "*union*," "*labor union*," "*association*," "*organization*" and "*corporation*" shall include but not be limited to public employers, public employees and any representative of public employees in this State. The application of this article to public employers, public employees and their representatives shall not be construed as modifying in any way the application of § 40.1-55 to government employees. (Enacted 1973.)

§ 40.1-59. Agreements or combinations declared unlawful. -- Any agreement or combination between any employer and any labor union or labor organization whereby persons not members of such union or organization shall be denied the right to work for the employer, or whereby such membership is made a condition of employment or continuation of employment by such employer, or whereby any such union or organization acquires an employment monopoly in any enterprise, is hereby declared to be against public policy and an illegal combination or conspiracy. (Enacted 1947; amended 1970.)

§ 40.1-60. Employers not to require employees to become or remain members of union. -- No person shall be required by an employer to become or remain a member of any labor union or labor organization as a condition of employment or continuation of employment by such employer. (Enacted 1947; amended 1970.)

§ 40.1-61. Employers not to require abstention from membership in union. -- No person shall be required by an employer to abstain or refrain from membership in any labor union or labor organization as a condition of employment or continuation of employment. (Enacted 1947; amended 1970.)

§ 40.1-62. Employer not to require payment of union dues, etc. -- No employer shall require any person, as a condition of employment or continuation

of employment, to pay any dues, fees or other charges of any kind to any labor union or labor organization. (Enacted 1947; amended 1970.)

§ 40.1-63. Recovery by individual unlawfully denied employment. -- Any person who may be denied employment or be deprived of continuation of his employment in violation of §§ 40.1-60, 40.1-61 or § 40.1-62 or of one or more of such sections, shall be entitled to recover from such employer and from any other person, firm, corporation or association acting in concert with him by appropriate action in the courts of this Commonwealth such damages as he may have sustained by reason of such denial or deprivation of employment. (Enacted 1947; amended 1970.)

§ 40.1-64. Application of article to contracts. -- The provisions of this article shall not apply to any lawful contract in force on April 30, 1947, but they shall apply in all respects to contracts entered into thereafter and to any renewal or extension of an existing contract. (Enacted 1947; amended 1970.)

§ 40.1-65. Agreement or practice designed to cause employer to violate article declared illegal. -- Any agreement, understanding or practice which is designed to cause or require any employer, whether or not a party thereto, to violate any provision of this article is hereby declared to be an illegal agreement, understanding or practice and contrary to public policy. (Enacted 1947; amended 1970.)

§ 40.1-66. Conduct causing violation of article illegal; peaceful solicitation to join union. -- Any person, firm, association, corporation, or labor union or organization engaged in lockouts, layoffs, boycotts, picketing, work stoppages or other conduct, a purpose of which is to cause, force, persuade or induce any other person, firm, association, corporation or labor union or organization to violate any provision of this article shall be guilty of illegal conduct contrary to public policy; provided that nothing herein contained shall be construed to prevent or make illegal the peaceful and orderly solicitation and persuasion by union members of others to join a union, unaccompanied by any intimidation, use of force, threat of use of force, reprisal or threat of reprisal, and provided that no such solicitation or persuasion shall be conducted so as to interfere with, or interrupt the work of any employee during working hours. (Enacted 1947; amended 1954 & 1970.)

§ 40.1-67. Injunctive relief against violation; recovery of damages. -- Any employer, person, firm, association, corporation, labor union or organization injured as a result of any violation or threatened violation of any provision of this article or threatened with any such violation shall be entitled to injunctive relief against any and all violators or persons threatening violation, and also to recover from such violator or violators, or person or persons, any and all damages of any character cognizable at common law resulting from such violations or threatened violations. Such remedies shall be independent of and in addition to the penalties and remedies prescribed in other provisions of this article. (Enacted 1947; amended 1954 & 1970.)

§ 40.1-68. Service of process on clerk of State Corporation Commission as

attorney for union. -- Any labor union or labor organization doing business in this State, all of whose officers and trustees are nonresidents of this State, shall by written power of attorney, filed with the Department of Labor and Industry and the State Corporation Commission, appoint the clerk of the State Corporation Commission its attorney or agent upon whom all legal process against the union or organization may be served, and who shall be authorized to enter an appearance on its behalf. The manner of service of process on the clerk of the State Corporation Commission, the mailing thereof to the labor union or organization, the fees therefor, the effect of judgments, decrees and orders, and the procedure in cases where no power of attorney is filed as required, shall be the same as provided for in cases of foreign corporations. (Enacted 1947; amended 1954, 1956 & 1970.)

§ 40.1-69. Violation a misdemeanor. -- Any violation of any of the provisions of this article by any person, firm, association, corporation, or labor union or organization shall be a misdemeanor. (Enacted 1947; amended 1954, 1970 & 1973.)



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Right to Work Laws

SOUTH DAKOTA

S.D. Const. art. VI, § 2

§ 2. Due process - Right to work.

No person shall be deprived of life, liberty or property without due process of law. The right of persons to work shall not be denied or abridged on account of membership or nonmembership in any labor union, or labor organization. (Approved 1946.)

S.D. Codified Laws §§ 60-8-3 through 8-8

§ 60-8-3. Denial of right to work because of membership or nonmembership in union as misdemeanor. No person shall be deprived of life, liberty, or property without due process of law. The right of persons to work shall not be denied or abridged on account of membership or nonmembership in any labor union, or labor organization. Violation of this section is a Class 2 misdemeanor. (Enacted 1947.)

§ 60-8-4. Agreement denying free exercise of right to work as misdemeanor. Any agreement relating to employment, whether in writing or oral, which by its stated terms, or by implication, interpretation, or effect thereof, directly or indirectly denies, abridges, interferes with, or in any manner curtails the free exercise of the right to work by any citizen of the state of South Dakota, is a Class 2 misdemeanor. (Enacted 1947.)

§ 60-8-5. Coercion to enter into agreement denying free exercise of right to work as misdemeanor. Any request, demand or threat made by any person to any employer or employee, to persuade or coerce such employer or employee to enter into an agreement violative of the provisions contained in §§ 60-8-3 and 60-8-4 and article VI, § 2 of the state Constitution, is a Class 2 misdemeanor. (Enacted 1947.)

§ 60-8-6. Coercion of employee to join labor organization as misdemeanor. Any solicitation or request to join a labor organization made by any person to any employee, accompanied by threats of injury to such employee or members of his family, or damage to property, or loss or impairment of present or future employment of such employee, is a Class 2 misdemeanor. (Enacted 1947.)

§ 60-8-8. Violation of right to work law - Investigations by state's attorney - Prosecutions. It shall be the duty of the state's attorney of every county to prosecute all persons violating any of the provisions of §§ 60-8-3 to 60-8-6, inclusive, in his county and he shall be responsible for the proper enforcement of such sections, and whenever he shall have any information or knowledge or have any reason to believe that any of the provisions of such sections are being violated in his county, he shall investigate the same and use every legitimate means at his command to secure the necessary and proper evidence of such violation, and immediately upon securing such evidence, he shall file a complaint or preliminary information

against any person against whom he shall have any evidence of any such violation, and he shall have such person arrested and shall vigorously prosecute such charges to final judgment.
(Enacted 1955.)



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Right to Work Laws

ARIZONA

Ariz. Const. art. XXV

Right to work or employment without membership in labor organization

No person shall be denied the opportunity to obtain or retain employment because of non-membership in a labor organization, nor shall the State or any subdivision thereof, or any corporation, individual or association of any kind enter into any agreement, written or oral, which excludes any person from employment or continuation of employment because of non-membership in a labor organization. (Addition approved election Nov. 5, 1946, eff. Nov. 25, 1946; amended November 30, 1982.)

ARTICLE 1. RIGHT TO WORK

Ariz. Rev. Stat. Ann. 23-1301 through 1307

§ 23-1301. Definitions

In this article, unless the context otherwise requires:

1. "Labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment or other conditions of employment.
2. "Person" includes a natural person, a corporation, association, company, firm or labor organization. (Adopted by Referendum; effective November 22, 1948.)

§ 23-1302. Prohibition of agreements denying employment because of nonmembership in labor organization

No person shall be denied the opportunity to obtain or retain employment because of nonmembership in a labor organization, nor shall the state or any subdivision thereof, or any corporation, individual, or association of any kind enter into an agreement, written or oral, which excludes a person from employment or continuation of employment because of nonmembership in a labor organization. (Adopted by Referendum; effective November 22, 1948.)

§ 23-1303. Illegality of acts or agreements violating article; strike or picketing for illegal purpose

A. Any act or provision in an agreement which is in violation of this article is illegal and void.

B. Any strike or picketing to force or induce an employer to make an agreement orally or in writing in violation of this article is for an illegal purpose. (Adopted by Referendum; effective November 22, 1948.)

§ 23-1304. Prohibition of threatened or actual interference with a person, his family or property to compel him to join labor organization, strike or leave employment

It is unlawful for an employee, labor organization, or officer, agent or member thereof, by any threatened or actual interference with the person, his immediate family or his property, to compel or attempt to compel such person to join a labor organization, to strike against his will or to leave his employment. (Adopted by Referendum; effective November 22, 1948.)

§ 23-1305. Prohibition of conspiracy to induce persons to refuse to work with persons not members of labor organization

A combination or conspiracy by two or more persons to cause the discharge of any person or to cause him to be denied employment because he is not a member of a labor organization by inducing or attempting to induce any other person to refuse to work with such person, is illegal. (Adopted by Referendum; effective November 22, 1948.)

§ 23-1306. Civil liability of person violating article

A person who violates any provision of this article, or who enters into an agreement containing a provision declared illegal by this article, or who brings about the discharge of or denial of employment to any person because of nonmembership in a labor organization shall be liable to the person injured as the result of such act or provision and may be sued therefor, and in such action any labor organization, subdivision or local thereof shall be bound by the acts of its duly authorized agents acting within the scope of their authority, and may sue or be sued in its common name. (Adopted by Referendum; effective November 22, 1948.)

§ 23-1307. Injunctive relief from injury resulting from violation of article

A person injured or threatened with injury by an act declared illegal by this article shall, notwithstanding any other provision of law to the contrary, be entitled to injunctive relief therefrom. (Adopted by Referendum; effective November 22, 1948.)



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Program Director

UNIONS AND RIGHT-TO-WORK LAWS

the global evidence
of their impact
on employment

edited by FAZIL MIHLAR



Economic Development and the Right to Work

Evidence from Idaho and other
Right-to-Work States

DAVID KENDRICK

Passing Right-to-Work legislation: the start of the economic boom

Idaho became the nation's twenty-first Right-to-Work state in 1985, when the state Senate and the state House of Representatives overrode then-Governor John V. Evans's veto of House Bill 2. Idaho's status as a Right-to-Work state was immediately challenged by the state's labour unions, which obtained enough signatures to place the law on the 1986 general election ballot.

Having run the gauntlet of numerous committee hearings, votes in both houses of the legislature, second votes in the legislature on overriding the Governor's veto, the idea of Right-to-Work was clearly popular. However, union officials in Idaho had US\$1.3 million in forced union dues handed to them by the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) in Washington, DC, to spend on their drive to

Notes will be found on page 102.

In the five years previous to the enactment of Right-to-Work legislation in 1985, manufacturing employment in Idaho had declined by 8 percent. At the same time, neighbouring states such as Nevada, Utah, Wyoming and Arizona, which had enacted Right-to-Work laws, saw their manufacturing employment increase by no less than 16 percent, and as much as 36 percent, over the same five year period.

Right-to-Work laws bring new businesses and new jobs

Many businesses looking to relocate were waiting on the results of the vote. In June 1986, Phillip D. Phillips, a vice-president of the Fantus Company—one of the nation's largest industrial relocation firms—wrote in a letter to Michael Dolton of the Chamber of Commerce in Greater Twin Falls, Idaho: "Approximately 50 percent of our clients . . . do not want to consider locations unless they are in Right-to-Work states. As a result, states that are not Right-to-Work states, and the communities in them, are eliminated from consideration in the initial phase of the site selection process, no matter how strong their other advantages for a facility might be." That "deal sweeteners" like tax incentives or other bonuses for companies considering relocation were still inadequate was also clear from a study conducted by the Center for Business and Economic Research of the University of Tennessee in 1985. According to this survey, even incentives such as low taxes, tax concessions, government support for site acquisition, and quality of life were ranked less important than Right-to-Work laws as factors in deciding where to relocate (Hake, Ploch, and Fox 1985).

Since Idaho's Right-to-Work law took effect in 1987, the state has enjoyed growth in virtually all major areas of business. According to the United States Bureau of Labour Statistics, 142,500 new jobs were added to Idaho's payroll between 1986 and 1995, bringing the total non-agricultural employment to 476,900. High-technology industries continue to expand in Idaho, with the 1993 employment level at 27,000 compared to 17,100 in 1987. Over 1,000 net new businesses opened their doors in Idaho in 1992; since 1987, net new business starts have totalled 5,000 (Idaho Dep't of Commerce 1993).

Manufacturing employment in Idaho has grown at a rate far exceeding the growth of the pre-Right-to-Work era. Idaho's 36.2

Right-to-Work laws produce lower unemployment

When labour unions must compete in a free market—where employees have a choice about whether or not to join or support a union—union leadership must be attentive to the real needs and desires of the rank-and-file members. Right-to-Work states thus offer a business environment free from much of the onerous mandatory union-imposed regulation, feather-bedding, and work rules that raise labour costs and reduce jobs in non-Right to Work states. As a result, businesses in Right-to-Work states have lower costs, allowing them to produce goods and services less expensively, and to employ more people without cutting wages.

Unemployment rates tend to be lower in Right-to-Work states than they are in non-Right-to-Work states. For example, in 1995, forced-unionism states had an average unemployment rate of 5.6 percent. In Right-to-Work states, however, that average was only 4.8 percent, and Idaho mirrored this national trend (USBLS 1987, 1989, 1991, 1992, 1993, 1994, 1995).

In 1986—before the enactment of the Right-to-Work law—despite a strong national economy the unemployment rate in Idaho was 8.7 percent. In 1990—after passage of Right-to-Work legislation—with a nationwide recession underway the unemployment rate was 5.8 percent. In 1996, the unemployment rate was down to 5.4 percent (Idaho Dep't of Employment 1993).

Right-to-Work laws bring higher wages and more personal income

Perhaps, the best indicator of how Right-to-Work laws benefit a state economy is the level of personal disposable income. The more income individuals have, the more goods and services they can buy, which in turn stimulates the economy and contributes directly to economic growth. Since 1977, Professor James T. Bennett has pioneered research showing that, on average, real income adjusted for taxes and inflation is, in fact, higher in Right-to-Work states than non-Right-to-Work states (Bennett 1994). In 1994, per capita personal income in Idaho grew by 8.8 percent, well above the national average of 5.1 percent. The only two states with greater rates of growth in this period—Arizona and Nevada—were also Right-to-Work states. Over the longer range, 1987 to 1995, Idaho's personal income growth rate was 71.7 percent, the highest in the United States, and well above the average growth of 57.1 percent in the non-Right-to-Work states.⁵

ho's tax rates are lower than those of any other western state (Idaho Dep't of Commerce, Div. of Economic Development 1992: 4-1, citing US Bureau of Census 1990).

Idaho's prosperity and the "regional boom"

Is Idaho's prosperity since the introduction of Right-to-Work legislation merely the result of the economic growth of the entire region? It is certainly true, as the AFL-CIO argued before the Alberta Joint Review Committee on Right-to-Work, that Idaho's economic resurgence was "part of the regional boom in the Pacific Northwest states" (Alberta Economic Development Authority 1995: 20, citing AFL-CIO 1994). Since 1986, while Idaho has seen 36.2 percent growth in manufacturing jobs, Nevada's manufacturing employment has risen by 65.3 percent, Utah's by 34.5 percent, and Wyoming's by 22.5 percent. All of these states are Right-to-Work jurisdictions. (See figure 1 for a map showing states with Right-to-Work laws.)

On the other hand, the rates of growth in manufacturing employment for the non-Right-to-Work states in the region are not nearly so high: Colorado, 3.2 percent; Montana, 9.9 percent; Or-

Figure 1 States with Right-to-Work legislation.



The same pattern seen in the Pacific Northwest of prosperity in states with Right-to-Work laws and slow growth in states without such laws has also been observed in other parts of the United States. Between 1960 and 1993, according to the United States Bureau of Labor Statistics, the 21 Right-to-Work states⁶ increased their manufacturing payrolls by 2.68 million while those states subject to federally imposed mandatory unions lost 1.36 million manufacturing jobs. Further, we now have evidence of a dramatic shift in manufacturing employment that one can see simply by stepping over the border from a forced-unionism state to a Right-to-Work state.

Dr. Thomas J. Holmes, in a study published by the Federal Reserve Bank of Minneapolis (1995), breaks new ground in our understanding of how state policies can encourage or discourage industrial development. Holmes first drew a border between Right-to-Work and non-Right-to-Work states in the eastern part of the continental United States (see figure 2). His border begins at the Right-to-Work state of North Dakota and the non-Right-to-Work state of Minnesota. The line runs south to Texas (Right-to-Work) and Oklahoma (non-Right-to-Work), then turns east, ending at the Atlantic coast between Virginia (Right-to-Work) and Maryland (non-Right-to-Work). Using data from the United States Census Bureau's County Business Patterns for 1992, Holmes then compared manufacturing employment on both sides of the border and found that, in 1992, manufacturing constituted 21 percent of total employment in those non-Right-to-Work counties within 25 miles of the border while, on the Right-to-Work side of the border, manufacturing accounted for 28.6 percent of total employment. Holmes writes: "[O]n average, manufacturing employment increases by one-third when one steps over the border" to a Right-to-Work state. (1995: 3).

To measure the long-term effect of Right-to-Work laws, Holmes contrasts the total growth of manufacturing employment during the period from 1947 to 1992 in those counties within 100 miles of the border between Right-to-Work and non-Right-to-Work states. Of the nine Right-to-Work states on Holmes's border (North Dakota, South Dakota, Nebraska, Iowa, Kansas, Texas, Arkansas, Tennessee, Virginia), all but Kansas had enacted their laws by the end of 1947. Within 100 miles of the border, manufacturing employment in Right-to-Work states

Some have pointed to accidental factors such as the South's warmer weather and the advent of air conditioning as the principal cause of this shift in manufacturing activity. But by comparing manufacturing employment on the border between Right-to-Work and non-Right-to-Work states, Holmes eliminates weather, which does "not change discontinuously at state borders," and highlights state policies, which do change at the border (1995: 3). In short, Holmes has uncovered the most conclusive evidence to date that state policies encouraging cooperative and voluntary relations between labour and management have played a crucial role in the exodus of manufacturers to the 21 Right-to-Work states.

While the evidence Holmes has gathered is new, the economic wisdom behind it certainly is not. Many employers know first-hand the costly burdens of union work rules and violent strikes. But back in 1960, Nobel-Prize winning economist Friedrich Hayek discerned that in the final analysis, "whatever true coercive power unions may be able to wield over employers is a consequence of this primary power of coercing other workers" (Hayek 1960: 269).

Using their control over the employer's labour to drive up his production costs, union officials inhibit job creation, as Holmes shows. They also liquidate existing jobs, leading to an average unemployment rate seven percent higher in non-Right-to-Work states than in Right-to-Work states since 1981.⁷

With a new factual certainty, Dr. Holmes has shown that Right-to-Work laws are a major spur to the creation of manufacturing growth and new jobs. That is a winning proposition for employees and employers alike.

Conclusion

Having permitted a budget surplus, low unemployment, positive new job creation, and low taxes, Idaho's Right-to-Work law provides business recruitment leverage, a solid economic foundation, and a secure climate for sustained growth well into the next century. What Idahoans now enjoy as a way of life began at the 1986 watershed, the enactment of the state's Right-to-Work law. And the first seven years of Idaho's Right-to-Work law bode well for that state's future prosperity, so long as markets remain free and individuals maintain their right to choose whether or not to join or support a labour union.

The Daily Californian

Guest column

Right to Work states do best economically

By David Kendrick
Guest columnist

As economic policymakers fret over the economic "flu" spreading from East Asia to the United States, they might want to study the 21 Right to Work states where employees are free to decide for themselves whether a union deserves their financial support.

As new government figures show, their regime of voluntary unionism has created a stable environment for healthy job growth, particularly in the case of Texas. But forced unionism states like Indiana, California, New Jersey and Massachusetts have been buffeted by the shock wave of the Asian tsunami.

In early October, the U.S. Bureau of Labor Statistics (BLS) reported a loss of 16,000 manufacturing jobs in September, a clear sign that the economic crisis which has gripped East Asia and Russia is beginning to harm the U.S. economy.

BLS Commissioner Katherine Abraham cited particularly large losses in the electrical and electronic equipment industry, "where both exports to Asia and imports from Asia are factors. The imprint of Asia on the data is very clear."

Now the BLS has released the September job figures on a state-by-state basis. Clearly, it is the 21 states where employees are free to decide for themselves whether to pay union dues that are providing the cushion for the nation's job climate.

In electrical equipment manufacturing, for example, nationwide employment has fallen by 13,200 since its high-water mark in March. 12,000 of those jobs have been lost in the forced unionism states — 91 percent of the total decline! So precipitous is this fall that the non-Right to Work states' losses in this sector have wiped out their gains from September of last year to this past March.

The non-Right to Work states have lost 5,800 electronic equipment jobs since September of last year, while the Right to Work states have gained 6,500.

Hardest hit have been Indiana, where employment in this industry has plummeted 3 percent in the last year, California with a 2.5 percent decline, New Jersey and Massachusetts where employment in electrical and electronic equipment has fallen 1.4 percent.

On the other hand, Texas has seen its employment in this industry rise by 1.2 percent since September 1997. Indeed, Right to Work states have consistently outperformed the forced unionism states in the past year. By this past June, the high water mark for electrical and electronic equipment, Right to Work states had increased their employment in the industry by nearly 2 percent, while forced unionism states had increased less than half a percent.

Then, in July alone, non-Right to Work states saw their employment in the industry plummet more than 1 percent. Thus, in the past year, jobs in electrical equipment manufacturing have fallen 0.5 percent in forced unionism states, while growing by 1.5 percent in the Right to Work states.

The government figures presented here are simply a snapshot of a larger pattern in all manufacturing. Over the long term, Right to Work states have gained 1.5 million manufacturing jobs since 1970, while forced unionism states have lost more than 2.5 million such jobs.

As nervous Americans in the 29 non-Right to Work states brace for the fallout from the economic crisis overseas, they would do well to examine the link between voluntary unionism and stable job growth in the 21 Right to Work states.

David Kendrick is program director of the National Institute for Labor Relations Research.



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A Higher Standard of Living in Right to Work States: 1977-1999

Nearly a quarter century ago, Alan Reynolds, then with the First National Bank of Chicago asked, "Is Mississippi Richer than New York?" After adjusting for the higher cost of living data then available, the answer was, "Yes."

Comparing each state's median family income, adjusted for average income taxes and cost of living, revealed that the supposed advantage in gross income enjoyed by states such as Massachusetts, New York and Hawaii over such states as Texas, Mississippi and Arkansas was an illusion.

When applied to per-capita personal income, a similar pattern emerged, in which real average family income in Wyoming was more than a third higher than New York's.

Reynolds noted that the Right to Work states were evenly distributed at all levels of adjusted incomes. He then concluded that the debate over Right to Work laws should be "waged on other grounds" than a supposed advantage in the gross incomes of non-Right to Work states.

Several years later, Dr. James Bennett of George Mason University took the same data for 1981, and found an even greater advantage for Right to Work states. In adjusted per-capita income, for instance, two-thirds of the Right to Work states were in the top 50 percent of adjusted income. Three-fifths were in the top 50 percent of adjusted family income.

Unfortunately, the Bureau of Labor Statistics' index of comparative living costs only included 28 states with then-defined "metropolitan areas." For other states, the COL index for the closest comparable state was used. This and other limitations in the available data prohibited further comparison between Right to Work and non-Right to Work states. And any further updates of this information became impossible when the U.S. Bureau of Labor Statistics ceased publication of its comparative cost data.

But in 1989, Richard Boyer and David Savageau published the *Places Rated Almanac* (PRA), in which they estimated family income, state and local taxes, and the cost of living for each of the 333 metropolitan areas containing three-quarters of the U.S. population, with at least one area in every state. After excluding those six areas straddling a border between a Right to Work and non-Right to Work state, Dr. Bennett separated the 129 Right to Work areas from the 198 non-Right to Work areas.

First, Dr. Bennett found that the average family in a non-Right to Work state paid nearly twice the state and local taxes of a family in a Right to Work state. He then found that accounting for the costs of food, housing, health care and transportation, the cost of living was 22 percent higher in a non-Right to Work state than in a Right to Work state.

After adjusting for these factors, Bennett found that while unadjusted family income was some \$5,600 higher in non-Right to Work states; average family income, adjusted for taxes and the cost of living, was \$1,377 higher in Right to Work states.

Four years later, Dr. Bennett recreated the study with the 1994 edition of the PRA. This time, he found that on average, families in non-Right to Work states paid \$3,005 in state and local taxes, compared to \$1,779 in Right to Work states, and that the cost of living was nearly 25 percent higher in non-Right to Work states. Thus, adjusted family income, on average, was \$2,852 higher in Right to Work than in non-Right to Work states.

In November of this year, Savageau and Ralph D'Agostino published the 1999 edition of the PRA. This time, state and local taxes have been factored into their COL index, thus requiring only an adjustment of average family income for 135 Right to Work and 189 non-Right to Work metro areas.

Before adjusting for cost of living, median family income is \$62,350 in Right to Work states, versus \$69,750 in non-Right to Work states, a difference of \$7,400. But the Right to Work states' average cost of living index for state and local taxes, housing, food, health care, transportation and recreation is 100, compared to 112 in non-Right to Work states. Thus, it is 12 percent more expensive to live in a non-Right to Work state than in a Right to Work state.

After adjusting the metro areas for the higher cost of living, median family income is \$64,608 in Right to Work states, versus \$62,275 in non-Right to Work states, an advantage of \$2,333.

In 1977, Alan Reynolds answered that Mississippi was richer than New York. Today, it can be said that Biloxi, Mississippi (adjusted family income, \$56,600), is richer than New York City (\$53,258).

Right to Work Metro Areas	Family Income	COL	Adjusted Income
W. Palm Beach-Boca Raton, FL	\$ 100,000	1.10	\$ 90,909
Naples, FL	\$ 100,000	1.18	\$ 84,746
Houston, TX	\$ 85,000	1.03	\$ 82,524
Sarasota-Bradenton, FL	\$ 84,700	1.03	\$ 82,233
Victoria, TX	\$ 71,100	0.87	\$ 81,724
Sioux Falls, SD	\$ 74,500	0.92	\$ 80,978
Dallas, TX	\$ 85,200	1.07	\$ 79,626
Memphis, TN-AR-MS	\$ 78,000	0.99	\$ 78,788
Casper, WY	\$ 72,700	0.94	\$ 77,340
Nashville, TN	\$ 77,300	1.01	\$ 76,535
Odessa-Midland, TX	\$ 68,900	0.91	\$ 75,714
Atlanta, GA	\$ 82,400	1.11	\$ 74,234
Fort Myers-Cape Coral, FL	\$ 70,400	0.95	\$ 74,105
Tyler, TX	\$ 67,100	0.91	\$ 73,736
San Antonio, TX	\$ 68,400	0.93	\$ 73,548
Topeka, KS	\$ 68,000	0.93	\$ 73,118
Fort Pierce-Port St. Lucie, FL	\$ 72,900	1.01	\$ 72,178
Jackson, TN	\$ 62,700	0.87	\$ 72,069
Fort Worth-Arlington, TX	\$ 72,000	1.00	\$ 72,000
Chattanooga, TN-GA	\$ 65,400	0.91	\$ 71,868
Reno, NV	\$ 81,600	1.14	\$ 71,579
Wichita Falls, TX	\$ 62,100	0.87	\$ 71,379
Jacksonville, FL	\$ 72,000	1.01	\$ 71,287
Omaha-NE-IA	\$ 75,500	1.06	\$ 71,226
Jackson, MS	\$ 67,000	0.95	\$ 70,526
Brazoria, TX	\$ 66,600	0.95	\$ 70,105
Boise City, ID	\$ 73,600	1.05	\$ 70,095
Roanoke, VA	\$ 71,300	1.02	\$ 69,902
Richmond-Petersburg, VA	\$ 78,600	1.13	\$ 69,558
Wichita, KS	\$ 69,500	1.01	\$ 68,812
Corpus Christi, TX	\$ 62,200	0.91	\$ 68,352
Amarillo, TX	\$ 61,400	0.90	\$ 68,222
Cedar Rapids, IA	\$ 72,100	1.06	\$ 68,019
Orlando, FL	\$ 68,000	1.01	\$ 67,327
Tampa-St.Petersburg-Clearwater, FL	\$ 65,900	0.98	\$ 67,245
Abilene, TX	\$ 60,500	0.90	\$ 67,222
Birmingham, AL	\$ 71,200	1.06	\$ 67,170
Dubuque, IA	\$ 68,500	1.02	\$ 67,157
Fort Lauderdale, FL	\$ 75,800	1.13	\$ 67,080
Longview-Marshall, TX	\$ 60,300	0.90	\$ 67,000
Shreveport-Bossier City, LA	\$ 62,100	0.93	\$ 66,774
Lubbock, TX	\$ 63,300	0.95	\$ 66,632
Little Rock-N. Little Rock, AR	\$ 67,900	1.02	\$ 66,569
Baton Rouge, LA	\$ 67,200	1.01	\$ 66,535
Beaumont-Port Arthur, TX	\$ 61,200	0.92	\$ 66,522
Knoxville, TN	\$ 62,900	0.95	\$ 66,211
Galveston-Texas City, TX	\$ 66,100	1.00	\$ 66,100
Decatur, AL	\$ 62,000	0.94	\$ 65,957
Las Vegas, NV-AZ	\$ 73,100	1.11	\$ 65,856
Salt Lake City-Ogden, UT	\$ 74,200	1.13	\$ 65,664

Huntsville, AL	\$ 66,300	1.01	\$ 65,644
Columbia, SC	\$ 66,800	1.02	\$ 65,490
Alexandria, LA	\$ 60,800	0.93	\$ 65,376
Waco, TX	\$ 57,500	0.88	\$ 65,341
Rapid City, SD	\$ 62,000	0.95	\$ 65,263
San Angelo, TX	\$ 60,000	0.92	\$ 65,217
Lincoln, NE	\$ 66,500	1.02	\$ 65,196
Savannah, GA	\$ 67,800	1.04	\$ 65,192
Cheyenne, WY	\$ 62,500	0.96	\$ 65,104
New Orleans, LA	\$ 68,300	1.05	\$ 65,048
Charlotte-Gastonia-Rock Hill, SC-NC	\$ 74,700	1.15	\$ 64,957
Sherman-Denison, TX	\$ 57,800	0.89	\$ 64,944
Montgomery, AL	\$ 66,800	1.03	\$ 64,854
Monroe, LA	\$ 61,600	0.95	\$ 64,842
Bismarck, ND	\$ 62,800	0.97	\$ 64,742
Waterloo-Cedar Falls, IA	\$ 60,800	0.94	\$ 64,681
Melbourne-Titusville-Palm Bay, FL	\$ 62,600	0.97	\$ 64,536
Sioux City, IA-NE	\$ 67,000	1.04	\$ 64,423
Charlottesville, VA	\$ 76,000	1.18	\$ 64,407
Miami, FL	\$ 71,900	1.12	\$ 64,196
Fayetteville, NC	\$ 63,100	0.99	\$ 63,737
Lake Charles, LA	\$ 61,700	0.97	\$ 63,608
Hickory-Morganton-Lenoir, NC	\$ 61,600	0.97	\$ 63,505
Austin-San Marcos, TX	\$ 67,700	1.07	\$ 63,271
Dothan, AL	\$ 57,500	0.94	\$ 59,278
Johnson City-Kingsport-Bristol, TN-VA	\$ 55,600	0.88	\$ 63,182
Des Moines, IA	\$ 74,200	1.07	\$ 76,495
Florence, SC	\$ 62,100	0.99	\$ 62,727
Augusta-Aiken, GA-SC	\$ 62,000	0.99	\$ 62,626
Lafayette, LA	\$ 58,800	0.94	\$ 62,553
Macon, GA	\$ 63,000	1.01	\$ 62,376
Ocala, FL	\$ 54,800	0.88	\$ 62,273
Provo-Orem, UT	\$ 67,000	1.08	\$ 62,037
Houma, LA	\$ 59,500	0.96	\$ 61,979
Greensboro--Winston Salem--High Point, NC	\$ 69,900	1.13	\$ 61,858
Fort Walton Beach, FL	\$ 65,300	1.06	\$ 61,604
Fayetteville-Springdale-Rogers, AR	\$ 61,600	1.00	\$ 61,600
Phoenix-Mesa, AZ	\$ 68,300	1.11	\$ 61,532
Columbus, GA-AL	\$ 60,200	0.98	\$ 61,429
Iowa City, IA	\$ 66,600	1.09	\$ 61,101
Texarkana, Tx-Texarkana, AR	\$ 56,200	0.92	\$ 61,087
Laredo, TX	\$ 52,500	0.86	\$ 61,047
Tallahassee, FL	\$ 62,200	1.02	\$ 60,980
Lynchburg, VA	\$ 60,700	1.00	\$ 60,700
Pensacola, FL	\$ 59,200	0.98	\$ 60,408
Raleigh-Durham-Chapel Hill, NC	\$ 74,600	1.24	\$ 60,161
Gainesville, FL	\$ 60,500	1.01	\$ 59,901
Norfolk, Va. Beach, Newport News, VA	\$ 65,200	1.09	\$ 59,817
Greenville-Spartanburg-Anderson, SC	\$ 51,900	1.04	\$ 59,519
Lakeland-Winter Haven, FL	\$ 59,400	1.00	\$ 59,400
Greenville, NC	\$ 61,000	1.03	\$ 59,223

Asheville, NC	\$ 62,500	1.06	\$ 58,962
Killeen-Temple, TX	\$ 52,900	0.9	\$ 58,778
Daytona Beach, FL	\$ 54,000	0.92	\$ 58,696
Mobile, AL	\$ 59,100	1.01	\$ 58,515
Tuscaloosa, AL	\$ 57,700	0.99	\$ 58,283
El Paso, TX	\$ 52,700	0.91	\$ 57,912
Rocky Mount, NC	\$ 58,300	1.01	\$ 57,723
Athens, GA	\$ 58,800	1.02	\$ 57,647
Florence, AL	\$ 55,900	0.97	\$ 57,629
Anniston, AL	\$ 52,500	0.92	\$ 57,065
Pocatello, ID	\$ 57,600	1.01	\$ 57,030
Brownsville-Harlingen-San Benito, TX	\$ 50,000	0.88	\$ 56,818
Biloxi-Gulfport-Pascagoula, MS	\$ 56,600	1.00	\$ 56,600
Panama City, FL	\$ 57,100	1.01	\$ 56,535
Albany, GA	\$ 60,900	1.08	\$ 56,389
Charleston-N. Charleston, SC	\$ 60,400	1.08	\$ 55,926
Pine Bluff, AR	\$ 54,700	0.98	\$ 55,816
Jacksonville, NC	\$ 54,000	0.97	\$ 55,670
Punta Gorda, FL	\$ 57,300	1.03	\$ 55,631
Jonesboro, AR	\$ 54,900	1.00	\$ 54,900
Tucson, AZ	\$ 58,000	1.06	\$ 54,717
Gadsden, AL	\$ 51,400	0.94	\$ 54,681
Wilmington, NC	\$ 60,000	1.10	\$ 54,545
Danville, VA	\$ 52,900	0.97	\$ 54,536
McAllen-Edinburg-Mission, TX	\$ 47,900	0.88	\$ 54,432
Flagstaff, AZ-UT	\$ 61,400	1.13	\$ 54,336
Sumter, SC	\$ 53,200	0.98	\$ 54,286
Lawrence, KS	\$ 53,800	1.00	\$ 53,800
Goldsboro, NC	\$ 53,600	1.00	\$ 53,600
Myrtle Beach, SC	\$ 57,700	1.10	\$ 52,455
Hattiesburg, MS	\$ 50,700	0.97	\$ 52,268
Bryan-College Station, TX	\$ 48,400	0.94	\$ 51,489
Yuma, AZ	\$ 48,900	1.10	\$ 44,455
RTW Median	\$ 62,350	1.00	\$ 64,608

Areas ranked in order of adjusted family income

Forced-Unionism Metro Areas	Family Income	COL	Adjusted Income
Bridgeport, CT	\$ 127,700	1.24	\$ 102,984
Stamford-Norwalk, CT	\$ 141,100	1.55	\$ 91,032
Danbury, CT	\$ 132,300	1.46	\$ 90,616
Trenton, NJ	\$ 106,400	1.28	\$ 83,125
Lowell, MA-NH	\$ 102,200	1.24	\$ 82,419
Long Island, NY	\$ 117,600	1.46	\$ 80,548
Madison, WI	\$ 78,800	1.01	\$ 78,020
Middlesex-Somerset-Hunterdon, NJ	\$ 106,600	1.37	\$ 77,810
Bergen-Passaic, NJ	\$ 112,200	1.46	\$ 76,849
Newark, NJ	\$ 107,400	1.41	\$ 76,170
Elkhart-Goshen, IN	\$ 72,400	0.96	\$ 75,417
Minneapolis-St. Paul, MN-WI	\$ 88,100	1.17	\$ 75,299
Fort Wayne, IN	\$ 73,000	0.97	\$ 75,258
Wilmington-Newark, DE-MD	\$ 85,300	1.14	\$ 74,825
St. Louis, MO-IL	\$ 80,000	1.07	\$ 74,766
Atlantic City-Cape May, NJ	\$ 83,800	1.13	\$ 74,159
Grand Rapids-Muskegon-Holland, MI	\$ 77,900	1.06	\$ 73,491
Waterbury, CT	\$ 87,400	1.19	\$ 73,445
San Jose, CA	\$ 111,500	1.52	\$ 73,355
Chicago, IL	\$ 94,200	1.29	\$ 73,023
Saginaw-Bay City-Midland, MI	\$ 73,200	1.01	\$ 72,475
Kokomo, IN	\$ 71,600	0.99	\$ 72,323
Manchester, NH	\$ 83,700	1.16	\$ 72,155
Indianapolis, IN	\$ 75,000	1.04	\$ 72,115
Bloomington-Normal, IL	\$ 74,100	1.04	\$ 71,250
Anchorage, AK	\$ 86,400	1.22	\$ 70,820
Hartford, CT	\$ 89,100	1.26	\$ 70,714
Peoria-Pekin, IL	\$ 70,700	1.00	\$ 70,700
Springfield, MA	\$ 69,700	1.12	\$ 70,700
Denver, CO	\$ 82,600	1.17	\$ 70,598
Ventura, CA	\$ 91,700	1.30	\$ 70,538
Baltimore, MD	\$ 82,500	1.17	\$ 70,513
Seattle-Bellevue-Everett, WA	\$ 91,400	1.30	\$ 70,303
New Haven-Meriden, CT	\$ 87,000	1.24	\$ 70,161
Monmouth-Ocean, NJ	\$ 88,200	1.26	\$ 70,000
South Bend, IN	\$ 67,200	0.96	\$ 70,000
Appleton-Oshkosh-Neenah, WI	\$ 73,900	1.06	\$ 69,717
Rochester, MN	\$ 77,900	1.12	\$ 69,554
Lawrence, MA-NH	\$ 87,600	1.26	\$ 69,524
Evansville-Henderson, KY	\$ 66,700	0.96	\$ 69,479
Detroit, MI	\$ 85,300	1.23	\$ 69,350
Ann Arbor, MI	\$ 90,900	1.32	\$ 68,864
Akron, OH	\$ 74,100	1.08	\$ 68,611
Portland, ME	\$ 73,400	1.07	\$ 68,598
Philadelphia, PA-NJ	\$ 87,000	1.27	\$ 68,504
Tulsa, OK	\$ 67,000	0.98	\$ 68,367
Boulder-Longmont, CO	\$ 83,800	1.23	\$ 68,130
Springfield, IL	\$ 66,700	0.98	\$ 68,061
Cincinnati, OH-KY-IN	\$ 76,100	1.12	\$ 67,946
Milwaukee-Waukesha, WI	\$ 82,200	1.21	\$ 67,934

Louisville, KY-IN	\$	72,600	1.07	\$	67,850
Cleveland-Lorain-Elyria, OH	\$	79,200	1.17	\$	67,692
Green Bay, WI	\$	74,200	1.10	\$	67,455
Lancaster, PA	\$	75,200	1.12	\$	67,143
Harrisburg-Lebanon-Carlisle, PA	\$	72,400	1.08	\$	67,037
Rockford, IL	\$	69,700	1.04	\$	67,019
Rochester, NY	\$	76,300	1.14	\$	66,930
Decatur, IL	\$	67,500	1.01	\$	66,832
Nashua, NH	\$	82,700	1.24	\$	66,694
Salinas, CA	\$	85,900	1.29	\$	66,589
Kalamazoo-Battle Creek, MI	\$	68,800	1.04	\$	66,154
Gary, IN	\$	71,400	1.08	\$	66,111
Sheboygan, WI	\$	70,700	1.07	\$	66,075
Springfield, MO	\$	62,700	0.95	\$	66,000
Toledo, OH	\$	71,200	1.08	\$	65,926
Brockton, MA	\$	81,900	1.25	\$	65,520
Pittsburgh, PA	\$	72,500	1.11	\$	65,400
Richland-Kennewick-Pasco, WA	\$	65,400	1.00	\$	65,400
Wausau, WI	\$	69,300	1.06	\$	65,377
Dayton-Springfield, OH	\$	70,500	1.08	\$	65,278
Racine, WI	\$	75,700	1.16	\$	65,259
Lexington, KY	\$	67,200	1.03	\$	65,243
Pittsfield, MA	\$	72,300	1.11	\$	65,135
Allentown-Bethlehem-Easton, PA	\$	72,800	1.12	\$	65,000
Oakland, CA	\$	92,000	1.42	\$	64,789
Lansing-E. Lansing, MI	\$	69,900	1.08	\$	64,722
Reading, PA	\$	74,400	1.15	\$	64,696
Sacramento, CA	\$	74,300	1.15	\$	64,609
San Francisco, CA	\$	111,700	1.73	\$	64,566
Janesville-Beloit, WI	\$	68,300	1.06	\$	64,434
Canton-Massillon, OH	\$	66,800	1.04	\$	64,231
Lima, OH	\$	63,400	0.99	\$	64,040
Olympia, WA	\$	71,500	1.12	\$	63,839
Charleston, WV	\$	65,100	1.02	\$	63,824
Oklahoma City, OK	\$	61,700	0.97	\$	63,608
Columbia, MO	\$	63,800	1.01	\$	63,168
Columbus, OH	\$	71,900	1.14	\$	63,070
New London-Norwich, CT-RI	\$	81,000	1.29	\$	62,791
York, PA	\$	70,900	1.13	\$	62,743
Youngstown-Warren, OH	\$	63,300	1.01	\$	62,673
Lafayette, IN	\$	58,800	0.94	\$	62,553
Hamilton-Middleton, OH	\$	69,300	1.11	\$	62,432
Enid, OK	\$	58,600	0.94	\$	62,340
Billings, MT	\$	62,900	1.01	\$	62,277
Buffalo-Niagara Falls, NY	\$	68,500	1.10	\$	62,273
Erie, PA	\$	64,600	1.04	\$	62,115
Orange County, CA	\$	97,300	1.57	\$	61,975
Flint, MI	\$	71,800	1.16	\$	61,897
Portsmouth-Rochester, NH-ME	\$	75,500	1.22	\$	61,885
Burlington, VT	\$	72,800	1.18	\$	61,695
Albany-Schenectady-Troy, NY	\$	71,500	1.16	\$	61,638

Benton Harbor, MI	\$	66,500	1.08	\$	61,574
Spokane, WA	\$	62,100	1.01	\$	61,485
Portland-Vancouver, OR-WA	\$	77,300	1.26	\$	61,349
Los Angeles-Long Beach, CA	\$	83,400	1.36	\$	61,324
Great Falls, MT	\$	60,700	0.99	\$	61,313
Albuquerque, NM	\$	66,800	1.09	\$	61,284
Jackson, MI	\$	63,700	1.04	\$	61,250
La Crosse, WI-MN	\$	65,400	1.07	\$	61,121
Joplin, MO	\$	57,900	0.95	\$	60,947
Parkersburg-Marietta, WV-OH	\$	59,700	0.98	\$	60,918
Santa Rosa, CA	\$	81,600	1.34	\$	60,896
Kankakee, IL	\$	66,200	1.09	\$	60,734
St. Joseph, MO	\$	58,900	0.97	\$	60,722
Syracuse, NY	\$	67,400	1.11	\$	60,721
Boston, MA-NH	\$	94,700	1.56	\$	60,705
Yakima, WA	\$	60,700	1.00	\$	60,700
Tacoma, WA	\$	67,900	1.12	\$	60,625
Fort Collins-Loveland, CO	\$	68,400	1.13	\$	60,531
Champaign-Urbana, IL	\$	60,900	1.01	\$	60,297
Santa Cruz-Watsonville, CA	\$	86,000	1.43	\$	60,140
Hagerstown, MD	\$	59,500	0.99	\$	60,101
Colorado Springs, CO	\$	66,100	1.10	\$	60,091
Kenosha, WI	\$	66,100	1.10	\$	60,091
Owensboro, KY	\$	58,800	0.98	\$	60,000
Fitchburg-Leominster, MA	\$	74,300	1.24	\$	59,919
Worcester, MA-CT	\$	73,600	1.23	\$	59,837
Muncie, IN	\$	60,900	1.02	\$	59,706
New Bedford, MA	\$	69,800	1.17	\$	59,658
Dutchess County, NY	\$	83,300	1.40	\$	59,500
Mansfield, OH	\$	60,700	1.03	\$	58,932
Bremerton, WA	\$	65,000	1.11	\$	58,559
Vallejo-Fairfield, CA	\$	76,100	1.3	\$	58,538
Fresno, CA	\$	64,300	1.10	\$	58,455
Scranton--Wilkes-Barre--Hazleton, PA	\$	61,900	1.06	\$	58,396
Lawton, OK	\$	55,300	0.95	\$	58,211
Santa Fe, NM	\$	73,900	1.27	\$	58,189
Providence-Fall River--Warwick, RI-MA	\$	69,500	1.20	\$	57,917
Santa Barbara-Santa Mria-Lompoc, CA	\$	86,200	1.50	\$	57,467
Vineland-Millville-Bridgeton, NJ	\$	68,200	1.19	\$	57,311
St. Cloud, MN	\$	62,400	1.10	\$	56,727
Barnstable-Yarmouth, MA	\$	76,300	1.35	\$	56,519
Missoula, MT	\$	59,900	1.06	\$	56,509
Altoona, PA	\$	58,200	1.03	\$	56,505
Williamsport, PA	\$	58,200	1.03	\$	56,505
Redding, CA	\$	61,000	1.08	\$	56,481
Riverside-San Bernardino, CA	\$	65,500	1.16	\$	56,466
Eau Claire, WI	\$	61,300	1.09	\$	56,239
Pueblo, CO	\$	55,600	0.99	\$	56,162
Greely, CO	\$	58,400	1.04	\$	56,154
Eugene-Springfield, OR	\$	61,600	1.10	\$	56,000
Medford-Ashford, OR	\$	61,500	1.10	\$	55,909

Stockton-Lodi, CA	\$	64,600	1.16	\$	55,690
Modesto, CA	\$	63,400	1.14	\$	55,614
Sharon, PA	\$	57,800	1.04	\$	55,577
Newburgh, NY-PA	\$	74,300	1.34	\$	55,448
Binghamton, NY	\$	62,900	1.14	\$	55,175
Tere Haute, IN	\$	54,600	0.99	\$	55,152
Salem, OR	\$	61,600	1.12	\$	55,000
Bellingham, WA	\$	63,100	1.15	\$	54,870
Duluth-Superior, MN-WI	\$	59,200	1.08	\$	54,815
Yolo, CA	\$	69,500	1.27	\$	54,724
Honolulu, HI	\$	92,300	1.70	\$	54,294
Dover, DE	\$	61,100	1.13	\$	54,071
Elmira, NY	\$	61,100	1.13	\$	54,071
Wheeling, WV-OH	\$	54,500	1.01	\$	53,960
Visalia-Tulare-Porterville, CA	\$	59,800	1.11	\$	53,874
San Diego, CA	\$	76,900	1.43	\$	53,776
Johnstown, PA	\$	55,900	1.04	\$	53,750
Merced, CA	\$	60,700	1.13	\$	53,717
Jersey City, NJ	\$	72,900	1.36	\$	53,603
State College, PA	\$	60,300	1.13	\$	53,363
New York, NY	\$	94,800	1.78	\$	53,258
Steubenville-Weirton, OH	\$	53,700	1.01	\$	53,168
Bakersfield, CA	\$	61,600	1.16	\$	53,103
Bloomington, IN	\$	54,000	1.02	\$	52,941
Huntington-Ashland, WV-KY-OH	\$	52,700	1.00	\$	52,700
Glens Falls, NY	\$	60,600	1.17	\$	51,795
Grand Junction, CO	\$	56,700	1.10	\$	51,545
Yuba City, CA	\$	57,700	1.13	\$	51,062
Lewiston-Auburn, ME	\$	58,700	1.15	\$	51,043
Cumberland, MD-WV	\$	52,300	1.03	\$	50,777
Bangor, ME	\$	56,200	1.12	\$	50,179
Utica-Rome, NY	\$	60,500	1.21	\$	50,000
Jamestown, NY	\$	55,300	1.11	\$	49,820
Chico-Paradise, CA	\$	55,000	1.12	\$	49,107
San Luis Obispo, Atascadero-Paso Robles, CA	\$	63,400	1.32	\$	48,030
Las Cruces, NM	\$	48,100	1.01	\$	47,624
Forced-Unionism Median	\$	69,750	1.12	\$	62,275

Areas ranked in order of adjusted family income

RTW States	Manuf. Jobs 88-98	% Change
AL	0	0.0%
AZ	27.1	14.3%
AR	25.6	11.2%
FL	-44.4	-8.2%
GA	19.1	3.3%
ID	18.1	31.2%
IA	34.4	15.1%
KS	32	17.6%
LA	21.6	12.7%
MS	6	2.5%
NE	24.1	25.4%
NV	16.9	67.3%
NC	-41.6	-4.8%
ND	7.9	48.8%
SC	-19.9	-5.2%
SD	18.7	60.7%
TN	6.5	1.3%
TX	147.8	15.4%
UT	34.9	35.3%
VA	-22.4	-5.2%
WY	1.9	21.1%
RTW Avg.	314.3	17.1%

RTW States	Non-Ag. Jobs 88-98	% Change
AL	356.3	23.0%
AZ	667.5	47.3%
AR	263.6	30.7%
FL	1597.1	31.4%
GA	861.3	29.9%
ID	173.4	49.7%
IA	290.5	20.1%
KS	279	27.0%
LA	395.3	26.3%
MS	236.7	26.5%
NE	187.1	27.2%
NV	386.8	71.9%
NC	804.7	27.1%
ND	61.8	24.2%
SC	339.3	23.4%
SD	97.3	36.9%
TN	570.8	27.6%
TX	2292.1	34.5%
UT	363.5	55.0%
VA	529.1	19.0%
WY	45	24.6%
RTW Avg.	10798.2	32.5%

Nor.-RTW States	Manuf. Jobs 88-98	% Change
AK	-0.2	-1.4%
CA	-187.6	-8.7%
CO	18.2	9.6%
CT	-94.8	-25.4%
DE	-10.2	-14.6%
HI	-6	-26.9%
IL	5.9	0.6%
IN	50.6	8.0%
KY	46.7	17.0%
ME	-21.1	-19.5%
MD	-31.7	-15.1%
MA	-137.6	-23.5%
MI	18.5	2.0%
MN	50.5	12.8%
MO	-8.8	-2.0%
MT	3.7	17.8%
NH	-10.4	-8.8%
NJ	-188.1	-28.2%
NM	5.2	13.0%
NY	-291.3	-24.1%
OH	-8.5	-0.8%
OK	23	14.1%
OR	30.4	14.2%
PA	-111.3	-10.5%
RI	-35.2	-30.9%
VT	-1.5	-3.0%
WA	40.9	12.1%
WV	-4.6	-5.3%
WI	66.1	12.0%
Non-RTW	-789.2	-4.0%

Non-RTW States	Non-Ag. Jobs 88-98	% Change
AK	63.1	29.7%
CA	1509	12.5%
CO	625.5	43.9%
CT	-28.9	-1.7%
DE	69.3	21.0%
HI	52.8	11.1%
IL	815.9	16.1%
IN	519.4	21.7%
KY	382.8	27.9%
ME	49.1	9.4%
MD	232.2	11.1%
MA	57.6	1.8%
MI	716.7	18.9%
MN	538.2	26.6%
MO	450	20.1%
MT	94	33.7%
NH	59.1	11.2%
NJ	152.5	4.2%
NM	180.6	33.4%
NY	44.3	0.5%
OH	791.7	16.9%
OK	308.7	27.3%
OR	404.3	35.1%
PA	462.1	9.2%
RI	2	0.4%
VT	32.7	12.9%
WA	660.8	34.1%
WV	107.6	17.6%
WI	562.9	26.2%
Non-RTW	9916	18.4%

RTW States	High-Tech Employment 1990	High-Tech Employment 1997	Job Change	Pct. Change
AL	41451	48359	6908	16.7%
AZ	80336	89174	8838	11.0%
AR	16763	18601	1838	11.0%
FL	169626	193559	23933	14.1%
GA	86119	132524	46405	53.9%
ID	13259	21984	8725	65.8%
IA	29382	33671	4289	14.6%
KS	23900	30037	6137	25.7%
LA	19827	22119	2292	11.6%
MS	12662	14182	1520	12.0%
NE	25139	29864	4725	18.8%
NV	9340	13372	4032	43.2%
NC	90385	119831	29446	32.6%
ND	2774	5298	2524	91.0%
SC	28116	28632	516	1.8%
SD	5343	14538	9195	172.1%
TN	39596	42016	2420	6.1%
TX	274196	375933	101737	37.1%
UT	27585	41075	13490	48.9%
VA	121708	154712	33004	27.1%
WY	1813	1710	-103	-5.7%
Sums/Avg.	1119320	1431191	311871	27.9%

Source: American Electronics Assn.

RTW States	High-Tech Exports 1990	High-Tech Exports 1998	\$ Change	% Change
AL	\$ 787	\$ 1,499	\$ 712	90.5%
AZ	\$ 2,723	\$ 7,821	\$ 5,098	187.2%
AR	\$ 252	\$ 533	\$ 281	111.5%
FL	\$ 4,890	\$ 13,025	\$ 8,135	166.4%
GA	\$ 1,732	\$ 4,017	\$ 2,285	131.9%
ID	\$ 539	\$ 902	\$ 363	67.3%
IA	\$ 1,204	\$ 2,382	\$ 1,178	97.8%
KS	\$ 528	\$ 860	\$ 332	62.9%
LA	\$ 552	\$ 836	\$ 284	51.4%
MS	\$ 231	\$ 461	\$ 230	99.6%
NE	\$ 251	\$ 515	\$ 264	105.2%
NV	\$ 97	\$ 287	\$ 190	195.9%
NC	\$ 2,633	\$ 5,268	\$ 2,635	100.1%
ND	\$ 145	\$ 416	\$ 271	186.9%
SC	\$ 1,145	\$ 2,318	\$ 1,173	102.4%
SD	\$ 123	\$ 254	\$ 131	106.5%
TN	\$ 1,058	\$ 3,135	\$ 2,077	196.3%
TX	\$ 15,105	\$ 40,786	\$ 25,681	170.0%
UT	\$ 778	\$ 916	\$ 138	17.7%
VA	\$ 2,127	\$ 4,046	\$ 1,919	90.2%
WY	\$ 16	\$ 24	\$ 8	50.0%
Sums/Avg.	\$ 36,916	\$ 90,301	\$ 53,385	144.6%

in millions of current U.S. dollars

Source: American Electronic Assn.

Non-RTW States	High-Tech Employment 1990	High-Tech Employment 1997	Job Change	Pct. Change
AK	2463	3517	1054	42.8%
CA	718030	784151	66121	9.2%
CO	92259	131854	39595	42.9%
CT	68859	71507	2648	3.8%
DE	4532	7533	3001	66.2%
HI	7151	6996	-155	-2.2%
IL	181415	207201	25786	14.2%
IN	72744	65528	-7216	-9.9%
KY	28344	31008	2664	9.4%
ME	11023	10511	-512	-4.6%
MD	94582	97484	2902	3.1%
MA	221641	205091	-16550	-7.5%
MI	87094	96013	8919	10.2%
MN	105156	123866	18710	17.8%
MO	63428	72332	8904	14.0%
MT	3093	4068	975	31.5%
NH	39002	39660	658	1.7%
NJ	171696	179528	7832	4.6%
NM	15290	21324	6034	39.5%
NY	350579	320410	-30169	-8.6%
OH	116672	132076	15404	13.2%
OK	30624	33797	3173	10.4%
OR	47540	70488	22948	48.3%
PA	142043	159952	17909	12.6%
RI	16292	13999	-2293	-14.1%
VT	13242	14347	1105	8.3%
WA	61142	97025	35883	58.7%
WV	7890	9912	2022	25.6%
WI	52095	54586	2491	4.8%
Non-RTW Avg.	2825921	3065764	239843	8.5%

Source: American Electronics Assn.

Non-RTW States	High-Tech Exports 1990	High-Tech Exports 1998	\$ Change	% Change
AK	\$ 46	\$ 35	\$ (11)	-23.9%
CA	\$ 29,722	\$ 64,434	\$ 34,712	116.8%
CO	\$ 2,014	\$ 4,073	\$ 2,059	102.2%
CT	\$ 1,772	\$ 2,510	\$ 738	41.6%
DE	\$ 156	\$ 376	\$ 220	141.0%
HI	\$ 26	\$ 49	\$ 23	88.5%
IL	\$ 8,288	\$ 15,927	\$ 7,639	92.2%
IN	\$ 1,883	\$ 4,118	\$ 2,235	118.7%
KY	\$ 1,004	\$ 2,006	\$ 1,002	99.8%
ME	\$ 262	\$ 824	\$ 562	214.5%
MD	\$ 1,145	\$ 1,791	\$ 646	56.4%
MA	\$ 8,186	\$ 11,485	\$ 3,299	40.3%
MI	\$ 4,522	\$ 6,690	\$ 2,168	47.9%
MN	\$ 3,708	\$ 5,617	\$ 1,909	51.5%
MO	\$ 826	\$ 1,599	\$ 773	93.6%
MT	\$ 30	\$ 89	\$ 59	196.7%
NH	\$ 724	\$ 1,131	\$ 407	56.2%
NJ	\$ 3,225	\$ 4,718	\$ 1,493	46.3%
NM	\$ 147	\$ 1,731	\$ 1,584	1077.6%
NY	\$ 10,938	\$ 15,093	\$ 4,155	38.0%
OH	\$ 4,460	\$ 8,507	\$ 4,047	90.7%
OK	\$ 844	\$ 1,457	\$ 613	72.6%
OR	\$ 1,548	\$ 5,397	\$ 3,849	248.6%
PA	\$ 4,141	\$ 6,783	\$ 2,642	63.8%
RI	\$ 258	\$ 518	\$ 260	100.8%
VT	\$ 1,730	\$ 3,395	\$ 1,665	96.2%
WA	\$ 1,438	\$ 3,258	\$ 1,820	126.6%
WV	\$ 105	\$ 126	\$ 21	20.0%
WI	\$ 3,260	\$ 5,622	\$ 2,362	72.5%
Non-RTW Avg.	\$ 96,408	\$ 179,359	\$ 82,951	86.0%

Source: American Electronics Assn.



NEWS

NATIONAL INSTITUTE FOR LABOR RELATIONS RESEARCH

5211 Port Royal Road • Suite 510 • Springfield, Virginia 22151 • (703) 321-9606

Date: October 7, 1998

Contact: David Kendrick

RIGHT TO WORK STATES LEAD IN '98 JOB GROWTH

SPRINGFIELD, Va.—Six of the top seven states in job growth for the first eight months of 1998 were Right to Work states, according to the U.S. Department of Labor's latest state-by-state employment statistics. The Right to Work states of Nevada, Wyoming, Florida, Arizona, South Carolina and Texas all exceeded the 1.2% annual growth rate for the United States from January to August of this year. These six states were on a pace to create over 400,000 new non-farm jobs by the end of the year.

Overall, those states with Right to Work laws banning the forced payment of union dues increased their total non-farm employment by an annual average of 2.1 percent between January and August of this year. That was a 40 percent faster rate of growth than the non-Right to Work states' growth rate of only 1.5 percent.

Leading the way was *Nevada*, where non-farm employment rose at an annual rate of 4.5 percent in the past eight months, followed by non-Right to Work Washington at 4.2 percent, *Wyoming* at 4.0 percent, *Florida* at 3.3 percent, *Arizona* at 3.2 percent, *South Carolina* at 2.9 percent, and *Texas* in 7th place at 2.7 percent. Overall, from January to August, the 21 Right to Work states were on a pace to create almost 4,800 more jobs this year per state, on average, than the 29 non-Right to Work states, including Washington, D.C.

The National Institute for Labor Relations Research is a non-profit organization conducting the research and analysis necessary to expose the inequities of compulsory unionism.

National Right to Work Legal Defense Foundation, Inc.

The Right to Work Principle: Frequently-Asked Questions

What is the Right to Work principle?

The Right to Work principle--the guiding concept of the National Right to Work Legal Defense Foundation--affirms the right of every American to work for a living without being compelled to belong to a union. Compulsory unionism in any form--"union," "closed," or "agency" shop--is a contradiction of the Right to Work principle and the fundamental human right that the principle represents. The National Right to Work Committee advocates that every individual must have the right, but must not be compelled, to join a labor union. The National Right to Work Legal Defense Foundation assists employees who are victimized because of their assertion of that principle.

How does the National Right to Work Legal Defense Foundation differ from the National Right to Work Committee?

The National Right to Work Legal Defense Foundation and the National Right to Work Committee are separate and distinct organizations, however, their work is complementary.

The Foundation works solely through the courts to assist employees whose human or civil rights have been violated by abuses of compulsory unionism.

The Committee, founded in 1955, lobbies the Congress and state legislatures for the elimination of all forms of forced unionism. It also conducts a nationwide educational program on the Right to Work principle.

What is a Right to Work law?

A Right to Work law guarantees that no person can be compelled, as a condition of employment, to join or not to join, nor to pay dues to a labor union. Section 14(b) of the Taft-Hartley Act affirms the right of states to enact Right to Work laws. The 21 states which have passed Right to Work laws are:

Alabama, Arizona, Arkansas, Kansas, Florida, Georgia, Idaho, Iowa, Louisiana, Mississippi, Nebraska, Nevada, North Carolina, North Dakota, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, and Wyoming.

Is Right to Work "anti-union"?

The National Right to Work Legal Defense Foundation is neither "anti-union" nor "pro-union." The focus is on individual freedom. The Foundation affirms the right of all

Americans to be free of compulsory unionism abuses.

How does compulsory unionism affect government policy?

Compulsory unionism is primarily responsible for the Tax-and-Spend policies of the U.S. Congress. Under their federally-granted coercive powers, union officials collect some \$4.5 billion annually in compulsory dues and funnel much of it into unreported campaign operations to elect and control congressional majorities dedicated to higher taxes and increased government spending.

"[U]nions have greatly increased their financial commitment to political activity in recent election cycles ... as a way to achieve in the political process the gains that have eluded them at the bargaining table," economist James T. Bennett wrote in the Winter 1991 issue of the *Journal of Labor Research*. His authoritative study revealed that, despite membership losses, the total income (\$11.5 billion annually) of private sector unions is at an all-time high. Union income, in inflation-adjusted dollars, has more than doubled in the past 30 years.

What is "exclusive representation"?

"Exclusive representation" is the special coercive privilege, given by federal law, that empowers union officials to represent all employees in a company's bargaining unit. This "compulsory union representation" deprives employees, even in Right to Work states, of their right to bargain for themselves. Union officials demand this power, then use it as their excuse to force employees to pay dues for representation they do not want.

What rights do employees in non-Right to Work states have?

Certain rights of employees not covered by a state Right to Work law have been established by U.S. Supreme Court rulings. Employees can choose whether or not to join a union and union members may resign their union membership. Nonmembers can only be required to pay for their proportionate part of the union's proven bargaining costs. They may not be compelled to pay any fees until the costs have been stated and explained and can challenge the costs as provided by the union. Employees whose sincere religious beliefs prevent them from joining or paying any money to the union also have special rights.

What effect does a Right to Work law have on a state's standard of living?

The National Right to Work Committee has called attention to the fact that Right to Work states enjoy a higher standard of living than do non-Right to Work states. Families in Right to Work states, on average, have greater after-tax income and purchasing power than do those families living in non-Right to Work states, independent studies reveal. What's more, Right to Work states have greater economic vitality, official Department of Labor statistics show, with faster growth in manufacturing and nonagricultural jobs, lower unemployment rates and fewer work stoppages.



3/2/00 SB230

Steven Godrick - NRTW

5920 members & supporters in Alaska



Alaska State Legislature

Senate Labor + Commerce

Please enter into the record my testimony to the House State Affairs committee name

committee on HB 309 / SB 230 , dated 3/7 & 3/2 bill/subject

I STRONGLY SUPPORT A "RIGHT TO WORK" LAW. ANY PERSON SHOULD HAVE THE "RIGHT TO APPLY FOR A JOB," AS I HAVE BEEN DENIED IN THIS STATE MORE THAN ONCE. ANY EMPLOYER SHOULD HAVE THE RIGHT TO HIRE OR NOT HIRE, AS IS DENIED THEM IN UNION SITUATIONS WHERE THEY CAN ONLY HIRE WHO THE UNION SENDS EVEN IF THEY ARE AN OUT OF STATE RESIDENT.

THIS IS NOT A UNION VS NON UNION ISSUE IN MY VIEW, JUST A LEVELING OF THE FIELD FOR WORKERS & EMPLOYERS ALIKE.

I WAS DENIED THE "RIGHT TO APPLY" FOR JOBS AT FORT RICHARDSON. ONCE ~~SENT~~ ON THE GROUND THAT I HAD NOT WORKED FOR THE FEDERAL GOVT. BEFORE. PAYING TAXES FOR 30 YRS TO SUPPORT THEM DIDN'T MATTER.

ROBERT WEBER
373-2655

PO BOX 873241
WASILLA ~~AK 99687~~
99687

SB

240

FISCAL NOTE

No. 1
 Bill Version: SB 240

STATE OF ALASKA
 2000 LEGISLATIVE SESSION

(S) Publish Date: 2-2-00

Revision Date/Time (Note if correction) _____ Dept. Affected Community and Economic
 Title Administrative charge for the state's role in the CDQ BRU Community and Economic Development
 Component Community and Economic Development
 Sponsor Rules
 Requester Governor Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	250.0	250.0	250.0	250.0	250.0	250.0
-------------------------------	-------	-------	-------	-------	-------	-------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(250.0)	(250.0)	(250.0)	(250.0)	(250.0)	(250.0)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Statutory Designated P/R	250.0	250.0	250.0	250.0	250.0	250.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: 250.0

POSITIONS

Full-time	0	0	0	0	0	0
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill will switch the funding source for the Community Development Quota (CDQ) program from the general fund to statutory designated program receipts, through the implementation of a fee structure on the groups benefiting under the program. This fee structure is supported by the CDQ groups and the department as a method of making this successful and lucrative program self-supporting.

Prepared by: Jeffrey W. Bush Phone _____
 Division Commissioner's Office Date/Time 2/1/00 2:56 PM
 Approved by Commissioner [Signature] Date 2/1/00
 Agency _____

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AMENDMENT #2

OFFERED IN THE SENATE

BY SENATOR HOFFMAN

TO: CSSB 240(CRA)

1 Page 1, following line 5:

2 Insert a new bill section to read:

3 **** Section 1.** The uncodified law of the State of Alaska is amended by adding a new
4 section to read:

5 **LEGISLATIVE PURPOSE.** Nothing in this Act may be construed as an expression
6 of the Alaska State Legislature either in support of or in opposition to the expansion of the
7 federal community development quota program in Alaska."

8 Page 1, line 6:

9 Delete "Section 1. "

10 Insert "Sec. 2."

11 Renumber the following bill sections accordingly.

12 Page 4, line 7:

13 Delete "sec. 2"

14 Insert "sec. 3"

15 Page 4, line 14:

16 Delete "sec. 2"

17 Insert "sec. 3"

18 Page 4, line 15:

19 Delete "Section 4"

20 Insert "Section 5"

- 1 Page 4, line 16:
- 2 Delete "sec. 5"
- 3 Insert "sec. 6"



Office of the Commissioner

P.O. Box 110800, Juneau, AK 99811-0800

Telephone: (907) 465-2500 • Fax: (907) 465-5442 • TDD: (907) 465-5437

Email: questions@dced.state.ak.us • Website: www.dced.state.ak.us/

Sponsor Statement

SB 240 (CRA)

“An act relating to the establishment of and accounting for an administrative cost charge for the state's role in the Community Development Quota program and to the appropriation of receipts from the charge; and providing for an effective date.”

In 1996, the Magnuson/Stevens Fisheries Conservation and Management Act authorized the Secretary of Commerce (Secretary) to collect and recover the costs associated with the management and enforcement of the CDQ program. The National Marine Fisheries Service, under the Secretary, has not taken any action yet on initiating a Community Development Quota (CDQ) fee program.

In view of an eventual CDQ fee program and in recognition of state budget reductions, the CDQ groups and the Department of Community & Economic Development (department) have decided to pursue a statutory fee program in advance of the implementation of a federal fee program.

HB 334 will switch the funding source for the CDQ program from the General Fund to Statutory Designated Program Receipts authority. The CDQ groups and the department support the fee as a method of making the CDQ program self-supporting. The total cost of state management is approximately \$250,000.

The proposed fee structure has two components. First, each group will pay a standard, flat amount that will total half the state's administrative costs. Second, each group will pay a variable share of the remaining administrative costs based upon the value of that group's fisheries quota allocation. The department would administer the cost charge.

The fee would be effective at the beginning of the new fiscal year, July 1, 2000. The Senate Community and Regional Affairs Committee added a provision that would exempt new CDO groups from paying the administrative cost charge for two years.

Cc: Pat Pourchot, Governor's office



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MEMORANDUM

March 28, 2000

TO: Senator Jerry Mackie, Chair
Labor & Commerce Committee

FROM: Bryce Edgmon, CDQ Manager
Department of Community & Economic Development

RE: Sectional analysis of Senate Bill 240

“ An Act relating to the establishment of an accounting for an administrative cost charge for the state’s role in the community development quota program and to the appropriation of receipts from the charge; and providing for an effective date.”

Section One:

Creates a new subparagraph (X) to 37.05.146 adding the “CDQ administrative cost charge” to the list of program receipts that exist in statute. Other examples of program receipts include International Airport Fund, Fish and Game fund, Alaska Children’s Trust, Highway Working Capital Fund, etc.

Section Two:

AS 44.33 is amended to give the Department of Community and Economic Development the authority to determine and assess the annual administrative cost fee to the CDQ groups. It provides the department the authority to provide regulations in accordance with this section.

(b) The department must determine the administrative costs no later than June 30 before the start of the applicable fiscal year. Upon being notified, a CDQ group has 45 days to pay the department their share of the administrative cost charge.

(c) The total cost of the administrative cost charge cannot exceed \$400,000. This “ceiling” is higher than the cost of currently managing the program, which is approximately \$250,000.

The rationale is that future legislation will not be needed if a higher amount of program receipt authority is deemed necessary. The CDQ groups agreed to this provision with the understanding that any upward adjustment in the administrative cost charge would involve a mutual decision-making process with the state.

Page two
Sectional analysis – SB 240
March 28, 2000

This section also addresses any adjustments to the administrative cost charge from “carryover funds” and reappropriations.

(d) The administrative cost charge is broken down into two categories; a pro rata share, which is by definition the standard portion, and represents 50% of the total administrative cost charge.

The second category is the variable portion, which is assessed through a formula to the CDQ groups. The formula comes from royalties derived by multiplying the remaining 50% administrative cost charge by the ratio of the value of quota allocated to each group to the total value of the CDQ quota for the applicable year.

Variable portion = One half of administrative cost charge * the ratio of value of CDQ group's quota relative to the value of all CDQ quota (for the applicable year).

(e) The department may adjust the fee for a fiscal year for the CDQ groups if an inequitable result occurs. This will be the department and the groups to use different specie's in relation to fluctuating harvest returns and prices. The aggregate amount assessed to the CDQ groups must be enough to compensate the state for the management costs in (c).

(f) (f) The department will collect and enforce the fee, which will be deposited in the Community Development Quota Program Account in the state treasury. New CDQ groups will be exempted from paying the fee for a period of two years.

(g) The Department of Administration shall identify the amount of the appropriation that lapses into the general fund each year. The legislature may appropriate an amount equal to operating costs of the CDQ program for the next fiscal year.

(h) Technical section.

Section Three:

Applicability section, which authorizes the administrative cost charge to begin on or after July 1, 2000.

Section Four:

Authorizes the Department of Community and Economic Development to adopt necessary regulations.

Section Five:

Grants the department the authority to adopt regulations.

Section Six:

Effective date -- This act takes effect June 30, 2000.



Aleutian Pribilof Island Community Development Association

□ 234 Gold St. • Juneau, Alaska 99801 • (907) 586-0161 • 1-888-9APICDA • Fax (907) 586-0165

□ Unalaska Office: P.O. Box 208 • Unalaska, Alaska 99685 • (907) 581-5960 • Fax (907) 581-5963

February 10, 2000

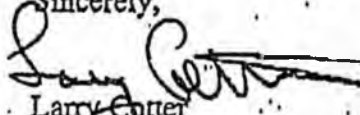
The Honorable John Harris, Co-Chair
The Honorable Carl Morgan, Co-Chair
Community & Regional Affairs Committee
Alaska House of Representatives
Juneau, Alaska

Re: HB 334

Dear Representatives Harris and Morgan:

The Aleutian Pribilof Island Community Development Association (APICDA) is one of six community development quota (CDQ) organizations in Alaska. APICDA supports HB 334. We have worked hard with the state and the other CDQ groups to fashion a fee system that is fair to all six CDQ groups and meeting the fiscal needs of the state. We believe HB 334 is a good bill and worthy of adoption.

If you have any questions, please don't hesitate to contact me.

Sincerely,

Larry Cotter
CEO

cc: APICDA Board of Directors

Bristol Bay Economic Development Corporation

P.O. Box 1464 • Dillingham, Alaska 99576 • (907) 842-4370 • Fax (907) 842-4336 • 1-800-478-4370

114 S. Franklin, Suite 202 • Juneau, Alaska 99801 • (907) 483-5054 • Fax (907) 483-5056 • E-mail bbcdc@ptalaska.net



February 14, 2000

The Honorable Carl Morgan, Co-Chair
The Honorable John Harris, Co-Chair
House of Representatives, Community & Regional Affairs Committee
State Capitol
Juneau, Alaska 99801-1182

RE: House Bill 334

Dear Co-Chairs Morgan and Harris,

Bristol Bay Economic Development Corporation (BBEDC) is one of the six Community Development Quota (CDQ) groups formed under the Western Alaska Community Development Quota Program. BBEDC represents 5,607 residents in the 17 member communities located in Southwest Alaska.

BBEDC would like to comment on House Bill 334; "An Act relating to the establishment of and accounting for an administrative cost charge for the state's role in the community development quota program and to the appropriation of receipts from the charge; and providing for and effective date."

In conjunction with the other CDQ groups and the State of Alaska CDQ Team, BBEDC contributed to the development of the CDQ fee proposal before you today. BBEDC would like to express our support for House Bill 334 and urge the committee to implement the Bill as written.

Respectfully,

H. Robin Samuelsen, Jr.,
Chairman of the Board, BBEDC

FOR

CENTRAL BERING SEA FISHERMEN'S ASSOCIATION



P.O. Box 288
St. Paul Island, Alaska 99660
(907) 546-2597 • Fax (907) 546-2450

March 1, 2000

Bryce Edgmon, CDQ Manager
Department of Community and Economic Development
P.O. Box 110800
Juneau, Alaska 99811-0800

Dear Mr. Edgmon:

Legislation concerning Community Development Quota (CDQ) Program fees, H.B. 334, is making its way through the committee process. This letter is to inform you that, the Central Bering Sea Fishermen's Association (CBSFA) supports the passage of this bill and grants you the authority to lobby for our support. This bill allows for administrative costs of the CDQ Program to be charged to the six CDQ groups, which includes CBSFA.

This is a justifiable case of "user pay" fees. I believe that with such "user pay" fee systems goes a commitment on the part of government to make the administrative system responsive to the users' needs and to allow the user greater say in how administrative oversight is conducted.

CBSFA supports H.B. 334 with the belief that the user pays system will enhance the CDQ Groups relationship with the State of Alaska CDQ Program oversight administration.

Sincerely,



Phillip Lestenkof
President



Coastal Villages Region Fund

711 H Street, Suite 200 • Anchorage, Alaska 99501 • Phone 907-278-5151 • Fax 907-278-5150

February 10, 2000

The Honorable Brian Porter
Speaker of the House
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Porter:

The Coastal Villages Region Fund supports HOUSE BILL NO. 334 relating to the establishment of and accounting for an administrative cost charge for the state's role in the community development quota (CDQ) program and to the appropriation of receipts from the charge to cover the state's administrative cost of the program. The Coastal Villages Region Fund is a CDQ group that represents twenty villages in the Kuskokwim River region of western Alaska.

The CDQ program has created jobs and expanded economic opportunity in the Coastal Villages region. It is essential that we ensure the continuance of this federal fisheries resource program. I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in cursive script, appearing to read "Edgar Hoelscher". The signature is written in black ink and is positioned above the printed name and title.

Edgar Hoelscher, Vice President
Board of Directors

Cc: Fred Phillip, President
Senator Lyman F. Hoffman
Senator Al Adams
Representative Mary Kapsner
Representative Richard Foster
Governor Tony Knowles



Breig Mission Dinnerle Elin Giambell Colovin Koyuk Nune Saint Michael Sitounga Shaktualik Stebbins Teller Unalakleet Wales White Mountain

February 14, 2000

The Honorable John Harris, Co-Chair
 The Honorable Carl Morgan, Co-Chair
 State Capitol
 Juneau, AK 99801-1182

Re: Support For HB 334

Dear Representatives Harris and Morgan:

Norton Sound Economic Development Corporation (NSEDC) is in support of the concept of an administrative cost charge for the reasonable and necessary expenses of the state for their participation in the administration of the federal Community Development Quota (CDQ) program. HB334 sets forth a mechanism for the six groups participating in the CDQ program to pay the cost.

The CDQ program is a relatively new program. There are significant issues regarding the program which can affect its nature and success. Because at this time there is no Alaska statutory direction governing the state's participation, NSEDC suggests that the bill be amended to require periodic legislative reauthorization of the bill, such as every three years.

Subject to a modification of the bill which would require periodic reauthorization, NSEDC is in support of HB 334.

Sincerely yours,

Eugene Asicksik
 President and CEO



Yukon Delta Fisheries Development Association

2200 6th Avenue • Suite 707
Seattle • WA 98121
Tel: (206) 443-1565 Fax: (206) 443-1912

P.O. Box 2626
Seward • AK 99664
Tel: (907) 224-5158 Fax: 224-5159

February 14, 2000.

COPY

The Honorable John Harris
Alaska State Legislature
State Capitol, Room 110
Juneau, AK 99801-1182

Dear Representative Harris:

Yukon Delta Fisheries Development Association, a Community Development Quota organization representing the communities of Alakanuk, Emmonak, Grayling, Kotlik, Mountain Village and Sheldon Point, fully supports the passage of HB 334, "An Act relating to the establishment of and accounting for an administrative cost charge for the state's role in the community development quota program".

Our organization wholeheartedly endorses the oversight provided to the CDQ program by the State of Alaska. We feel it is our responsibility to reimburse the State of Alaska for our share of the administrative costs involved in providing oversight for this Federal Community Development Quota Program.

Respectfully yours,

Ragnar O. Alstrom
Executive Director



Yukon Delta Fisheries Development Association

2200 6th Avenue • Suite 707
Seattle • WA 98121
Tel: (206) 443-1565 Fax: (206) 443-1912

P.O. Box 2626
Seward • AK 99664
Tel: (907) 224-5158 Fax: 224-5159

February 14, 2000.

COPY

The Honorable Carl Morgan
Alaska State Legislature
State Capitol, Room 409
Juneau, AK 99801-1182

Dear Representative Morgan:

Yukon Delta Fisheries Development Association, a Community Development Quota organization representing the communities of Alakanuk, Emmonak, Grayling, Kotlik, Mountain Village and Sheldon Point, fully supports the passage of HB 334, "An Act relating to the establishment of and accounting for an administrative cost charge for the state's role in the community development quota program".

Our organization wholeheartedly endorses the oversight provided to the CDQ program by the State of Alaska. We feel it is our responsibility to reimburse the State of Alaska for our share of the administrative costs involved in providing oversight for this Federal Community Development Quota Program.

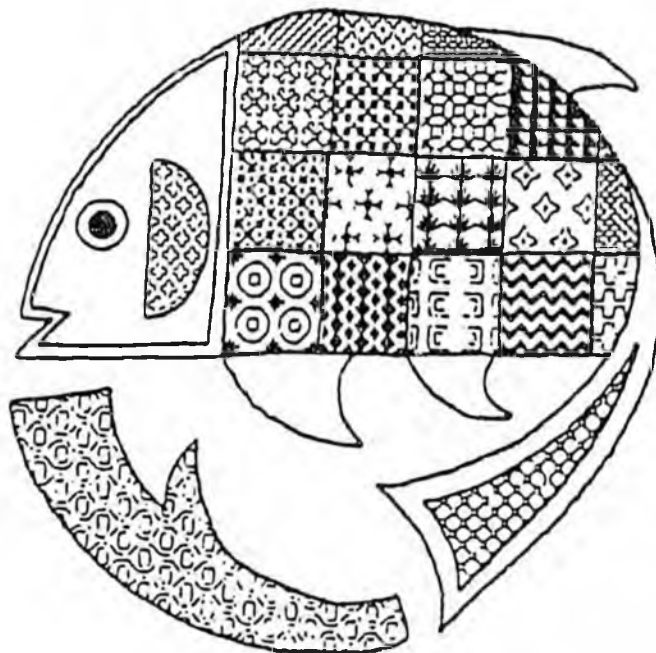
Respectfully yours,

Ragnar O. Alstrom
Executive Director



Magnuson-Stevens Fishery Conservation and Management Act

As Amended Through October 11, 1996



U.S. Department Of Commerce
Michael Kantor, Secretary

National Oceanic and Atmospheric Administration
D. James Baker, Under Secretary for Oceans and Atmosphere

National Marine Fisheries Service
Rolland A. Schmitt, Assistant Administrator for Fisheries

NOAA Technical Memorandum NMFS-F/SPO-23
December 1996

(2) (A) The Western Pacific Council and the Secretary may establish a western Pacific community development program for any fishery under the authority of such Council in order to provide access to such fishery for western Pacific communities that participate in the program.

(B) To be eligible to participate in the western Pacific community development program, a community shall--

- (i) be located within the Western Pacific Regional Fishery Management Area;
- (ii) meet criteria developed by the Western Pacific Council, approved by the Secretary and published in the Federal Register;
- (iii) consist of community residents who are descended from the aboriginal people indigenous to the area who conducted commercial or subsistence fishing using traditional fishing practices in the waters of the Western Pacific region;
- (iv) not have previously developed harvesting or processing capability sufficient to support substantial participation in fisheries in the Western Pacific Regional Fishery Management Area; and
- (v) develop and submit a Community Development Plan to the Western Pacific Council and the Secretary.

(C) In developing the criteria for eligible communities under subparagraph (B)(ii), the Western Pacific Council shall base such criteria on traditional fishing practices in or dependence on the fishery, the cultural and social framework relevant to the fishery, and economic barriers to access to the fishery.

(D) For the purposes of this subsection "Western Pacific Regional Fishery Management Area" means the area under the jurisdiction of the Western Pacific Council, or an island within such area.

(E) Notwithstanding any other provision of this Act, the Western Pacific Council shall take into account traditional indigenous fishing practices in preparing any fishery management plan.

(3) The Secretary shall deduct from any fees collected from a community development quota program under section 304(d)(2) the costs incurred by participants in the program for observer and reporting requirements which are in addition to observer and reporting requirements of other participants in the fishery in which the allocation to such program has been made.

(4) After the date of enactment of the Sustainable Fisheries Act, the North Pacific Council and Western Pacific Council may not submit to the Secretary a community development quota program that is not in compliance with this subsection.



Teleconference Participants

TCN: 10600

Participant Lists

View List for

Participants

Unidentified Testifiers:

Unidentified Observers:

KOTZEBUE (KOT)

1 Name: Mr. Pete Schaeffer Phone: 907-442-3467
 Address: PO Box 296 Affiliation: Kotzebue I
 City /St /Zip: Kotzebue AK 99752 Type: Testifier
 Bill: SB 240: CHARGE FOR COMMUNITY DEVELOPMENT QUOTA

2 Name: Mr. Gordon Ito Phone: 907-442-3680
 Address: PO Box 307 Affiliation: Self
 City /St /Zip: Kotzebue AK 99752 Type: Testifier
 Bill: SB 240: CHARGE FOR COMMUNITY DEVELOPMENT QUOTA

SB
240

S B

248

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

No. 1
Bill Version: SB 248
(S) Publish Date: 2-8-00

Revision Date/1/25/2000
Title AIDEA bonding authority
Sponsor _____
Requester _____

Dept. Affected DCED
BRU AIDEA
Component _____
Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Corporate Funds)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill has a positive fiscal effect on the General Fund. Passage of this bill allows AIDEA to continue fulfilling its mission, generating revenues, and in turn, providing an annual dividend to the General Fund. The bill extends AIDEA's bonding authority, clarifies procedures available to municipalities to grant tax exemptions for privately held interest in AIDEA-owned assets, and transfers the rural development initiative fund program to AIDEA. AIDEA funds its operations and projects through corporate receipts and through the sale of bonds and does not use General Fund money.

Prepared by: D. Randy Simmons, Executive Director Phone _____
Division AIDEA Date/Time 1/27/00 11:53 AM
Approved by Commissioner Deborah B. Sedwick Date 1/27/00
Agency _____

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JUNEAU

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W 248

February 3, 2000

The Honorable Drue Pearce
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Pearce:

The Alaska Industrial Development and Export Authority (AIDEA) has been a key player in many of Alaska's economic successes through the years. AIDEA programs have financed smaller projects, such as the Unalaska Marine Center dock, and the multi-million dollar Red Dog mine and Federal Express aircraft maintenance facility. This bill I transmit today continues AIDEA's role in boosting economic development and creating jobs in the state by extending its bonding authority for development projects of up to \$10 million and for conduit bond financing that does not involve the assets or credit of AIDEA or the state.

Under the bill, AIDEA's general bonding authority for projects up to \$10 million would be extended for three years, until June 30, 2003. The bill also clarifies that the sunset provision does not apply to conduit revenue financing transactions. Projects larger than \$10 million would still require specific legislative authorization.

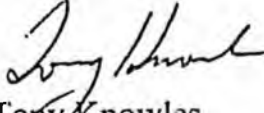
In addition, this bill clarifies the procedures available to municipalities to grant tax exemptions for privately held interests in AIDEA-owned assets and projects, and instead enter into agreements and receive payments in lieu of taxes.

The bill also provides for the transfer of the rural development initiative fund (RDIF) program from the Department of Community and Economic Development (DCED) to AIDEA. This makes formal the program transfers authorized in last year's departmental merger bill. Transferring the RDIF program would enable AIDEA to further its economic development mission in communities of 5,000 or less.

The Honorable Drue Pearce
February 3, 2000
Page 2

The state is fortunate to have a financially healthy agency like the AIDEA to forge public-private partnerships that can strengthen Alaska's economic base. This bill will enhance the tools available to the AIDEA to further this mission.

Sincerely,


Tony Knowles
Governor