

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION  
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2434

2001 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2434

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2434

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date February 06, 2001.

Tape Number	Side A	Side B	Meter #
1		x	51.6 to end
2	x		0 to 23.3
2	x		54.0 to end
2		x	0 to 3.7
Committee Clerk Signature <i>Dow &amp; Peley</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on SB 2434 to provide for union organization limitations on employer use of state funds.

SENATOR LINDA CHRISTENSON, District 18, co sponsor of the bill. This bill is about what happens to taxpayers' money. We ask that labor unions not be placed in advantageous or disadvantageous position. We want a balanced playing field. The intent is that employers that receive state funds in excess of ten thousand dollars be forbidden from using those funds for anti union activities.

REPRESENTATIVE LONNY WINRICH, District 18, co sponsor. We are interested in economic development and attracting good jobs to ND. One of the strongest correlations that exist is between wages and density of unions. We support that kind of effort and support this bill.

SHELLEY SEEBERG, AFL-CIO, in favor of this bill. Written testimony attached, includes list of people not able to attend this hearing and in favor of the bill.

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Senate Industry, Business and Labor Committee

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DAVID KEMNITZ, AFL-CIO, urge do pass.

JOHN RISCHE, UTU. Workers are guaranteed the right to unionize without employer interference. It is prevalent employers hiring anti union firms. I support this bill, they should not use government money for that.

SENATOR KLEIN: What number of employees are in the union?

J RISCHE: An estimate of 30 thousand out of a 420 thousand in the workforce.

CHRIS RUNGE, ND PEA, This bill is excellent. It is necessary because of the tactics been used by employers. Taxpayers money should not be used to thwart union activity.

ARNOLD THOMAS, Pres. ND Healthcare Assn, written testimony submitted in opposition.

Hearing closed.

Discussion held. SENATOR TOLLEFSON : Move do not pass.

SENATOR ESPEGARD: Seconded.

Roll call vote: 5 yes; 1 no; 1 absent not voting. Carrier: SENATOR MUTCH.



**REPORT OF STANDING COMMITTEE (410)**  
February 7, 2001 1:32 p.m.

**Module No: SR-22-2616**  
**Carrier: Mutch**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2434: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends**  
**DO NOT PASS** (5 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SB 2434 was  
placed on the Eleventh order on the calendar.

2001 TESTIMONY

SB 2434

Senate Bill No. 2434  
Testimony of Shelley Seeberg

Chairman Mutch and IBL committee members, I am Shelley Seeberg, I work for the AFL-CIO and I am a union member of the Communication Workers of America. I am a lifelong native of North Dakota and my husband and I run a small business here.

Senate Bill 2434 is important to North Dakota's taxpayers and workers who are attempting to have a Voice @ Work; federal law provides all workers the right to form, join or assist a union.

Many employers attempt to stop workers' rights by hiring expensive legal firms to fight organizing campaigns. This bill stops employers who receive \$10,000 or more in State tax dollars from using these public dollars to pay for anti-union campaigns against these workers.

An example of this abuse is what happened recently in Bismarck with two hospitals. When the workers at these hospitals began asserting their right to organize and have a voice at work both hospitals hired Stickler and Nelson a full service labor and employment law firm in Chicago to defeat employee attempts to organize a union.

One of Stickler's specialties is "strategies for a non-union environment," according to their website. This is the language of the union-busting industry for preventing workers from having a voice through a union. It includes preventative advice for management to keep unions away and advice to companies once employees begin organizing a union.

During these campaigns St. Alexius and MedCenter One work very closely with Stickler Nelson in fact on a day-to-day basis. They manage the employer's responses to the workers. I have been honored to work with these hospital workers for over a year and I seen and heard about all of the standard techniques of union busting including termination, harassment by



supervisors, spying on workers, mandatory meetings with management, a barrage of anti-union literature designed to discourage and confuse the employees.

In fact, during the time preceding an election, Stickler Nelson and other union busting companies have full access to all levels of management and supervision and meet frequently to direct and monitor the anti-union campaign. This unnecessary choice to hire a union buster, clearly is a very costly choice for the employer.

These are the union busting techniques that workers at St. Alexius and MedCenter One faced in their organizing attempt and taxpayers helped to subsidize the effort through medicaid and medicare dollars and through the non-profit status enjoyed by the two hospitals. Both of these hospitals are also subsidized by State and Local taxpayers because they pay no property taxes or sales taxes.

Under current law companies are not required to reveal the money spent on anti-union consultants, so no exact figures are available. Using anti-union consultant standards, \$1,000 a day cost is common, and frequently more. The union began organizing efforts at St. Alexius in September 1999, and filed for an election in February 2000 with an election held April 2000. Taking only the January - April time period St. Alexius is estimated to have spend at least 120,000 health care dollars on fees to Stickler Nelson for silencing workers.

These precious health care dollars could have been used to improve health care at the hospital, addressing the workers' concerns of staffing shortage. No accounting has been made of where the \$120,000 came from.

Although there has not been an election at MedCenter One yet, the company has been engaged in anti-union activities with Stickler Nelson that could easily have cost tens of thousands of dollars that could have been applied to improving health care at the hospital.

St. Alexius relies heavily on State and Federal money for patient revenues.

- Medicaid: twelve percent of St. Alexius patient days were paid by medicaid in 1999. This would result in between \$10 and 12.5 million of St. Alexius's total of \$104 million in Net patient revenues earned in 1999.
- Medicare: 49% of St. Alexius's patient days were paid by medicare in 1999. This would result in between \$45 to 51 million of St. Alexius's total of \$103 million in net patient revenues earned in 1999.
- Tax free loans: St. Alexius has over \$45 million in taxpayer supported (tax exempt) bond liabilities, according to their 1999 tax filings.

MedCenter One also relies heavily on State and Federal money for their patient revenues.

- Medicaid: seven percent of MedCenter One's patient days are paid by medicaid in 1999. This would result in between \$5 to 8.8 million of MedCenter One's total of \$124 million in net patient revenues earned in 1999.
- Medicare: 51% of MedCenter One's patient days were paid by medicare in 1999. This would result in between \$60 to 63 million of MedCenter One's total of \$124 million in net patient revenues earned in 1999.
- Tax free loans: MedCenter One has over \$55 million in taxpayer supported (tax exempt) bond liabilities, according to their 1999 tax filings.

*(\* medicaid and medicare figures taken from data compiled from medicare cost reports completed by the hospitals yearly).*

The above figures clearly show that these hospitals, under this bill, could not have used

any of these public medicaid dollars to pay for their anti-union campaigns.

With the passage of this bill, workers will not get any additional advantage or incentive to join a union, they will only be assured that their tax dollars are not being used to fight their legal right to form a union.

We would ask that this committee safeguard the public dollars for the use they are intended for by voting to pass Senate Bill 2434.

## Senate Bill 2434

The following North Dakota citizens were not able to attend this hearing due to work schedules but respectfully ask this committee to vote yes in protecting their tax dollars from being used to fund union busting campaigns.

Margaret Gebhardt  
Claire Henke  
Jackie Mason  
Denise Mische  
Joann Nupen-Lindemann  
Deb Stavn  
Bonnie Winters  
Marie Wetzel  
Sarah Stavn  
Jennifer Brown  
Suzette McCall  
Brenda Bullinger  
Yvonne McCall  
Kathy Schantz  
Dick Mason  
Judy Mason  
Scott Mason  
Lucy Gray  
Brad Berg  
Logan Dockter  
Sue Boyd  
Kim Senn  
Chuck Senn

Debbie Job  
Mark Job  
Jim Anderson  
Elsie Anderson  
Timothy Anderson  
Ilene Bruse  
Larry Bruse  
James Job  
Carol Job  
Raymond Strutrud  
Blanch Strutrud  
Richard Fairbanks  
Becky Fairbanks  
Judy Anderson  
Roger Anderson  
Mark Deyle  
Rick Pfenning  
Curt Henke  
Dwayne Schmidt  
Brad Pavek  
Bernie Bruggman  
Mark Froemke  
Bill Tuttle



North Dakota Healthcare Association

**Vision**

*The North Dakota Healthcare Association will take an active leadership role in major healthcare issues.*

**Mission**

*The North Dakota Healthcare Association exists to advance the health status of persons served by the most caring.*

2001 Session

Testimony: SB 2434

Chairman Mutch & members of the Senate Industry, Business, and Labor Committee:

I am Arnold R. Thomas, President, North Dakota Healthcare Association and I appear before you in opposition to SB 2434.

SB 2434 would impact a variety of private employers who receive state funds for services rendered -- including hospitals. Specifically, it would preclude a hospital from using Medicaid funds to assist, promote, or deter union organization.

This bill is not needed!

Federal labor relations law already strictly regulates the participation of employers in union-related activities.

Section 2180.1 of the federal Medicare reimbursement manual already tightly governs allowable reimbursements and activities on the part of hospitals in union-related activities.

Because the state Medicaid program also follows the federal Medicare guidelines, Medicaid also governs allowable reimbursements and activities on the part of hospitals in union-related activities. Any deviation from currently approved activities could jeopardize North Dakota's relationship with the federal government and place at risk millions of dollars in matching Medicaid funds.

Finally, we ask that you carefully consider the very negative policy implications put forth by this bill. In essence, this bill provides that if the state pays a hospital \$10,000 as reimbursement for services performed, the state has acquired the right to dictate to the hospital how that money will and will not be spent.

It says to a hospital and to other private employers, if you do business with the state of North Dakota, the state has the right to micro manage how you spend that which it paid you for services rendered. We believe that this bill is unprecedented, unsupportable, illogical, and totally detrimental to public-private business relationships.

For these reasons, we respectfully ask for a DO NOT PASS on SB 2434.