

June 12, 2023

Senator Thomas J. Umberg 1021 O Street, Suite 6530 Sacramento, CA 95814-4900

SUBJECT - SENATE CONSTITUTIONAL AMENDMENT 7; OPPOSE

The California Policy Center strongly opposes Senate Constitutional Amendment 7 (SCA 7) which would decimate generations of positive, mutually beneficial, voluntary economic relationships between the employee and employers in California.

Though called "The Right to Organize and Negotiate Act," SCA 7 has nothing to do with organizing or negotiating. These rights are already firmly established in state and federal law. While erroneously elevating an employee's "right to economic wellbeing at work" to the same status as freedom of speech and association, this proposal would ironically not only strip those settled rights away, but also disincentivize anyone from building a business in the state. As such, and in light of the recent *Janus* decision, there is a strong possibility that the United States Supreme Court will rule SCA 7 unconstitutional. Even before such a ruling, the National Labor Relations Act likely would preempt SCA 7 law insofar as it applies to private businesses.

Banning "the passing of any statute or ordinance that interferes with, negates, or diminishes the right of employees to organize and bargain collectively" – in the private sector and at both the state and local level – is bereft of the consequences of reality. Those who have wrestled with AB 5 and the independent contractor's diminishing legacy in California know that this proposal is the parasite that finally consumes its host of businesses and local government jobs.

If SCA 7 were to become law, union lawyers could argue that a decision to close a school, build a road, deploy police to protect neighborhoods, or improve the state's infrastructure affects the "economic wellbeing" of state and local workers. Even if voters throw out union-backed officials, their elected replacements would be helpless to change government policy against union demands; the will of employers and employees will be subservient to special interests and California will become the state where democracy goes to die.

Sincerely,

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Lance Christensen Vice President of Government Affairs