Center Forward Basics

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The COVID-19 pandemic exposed difficult economic and social realities for many in the United States, specifically workers. The Protecting the Right to Organize Act (PRO Act) was passed by the U.S. House of Representatives on March 9, 2021. The PRO Act changes existing labor laws and protects employees' rights to join a union by defining penalties for both companies and executives that violate workers' rights, expanding workers' collective bargaining rights, and strengthening workers' access to fair union elections. Many union leaders argue the PRO Act would begin to level a playing field they say is tilted toward big business and management that makes union organizing drives and elections unreasonably difficult. Business leaders argue that it could undermine workers' ability to work independently and flexibly and jeopardize employee privacy. In addition, some industries will be inadvertently captured if this legislation is not more focused. This basic will provide an overview of the PRO Act and explore the legislation's impacts.

The Pro Act

## History of Labor Laws in the U.S.

During the New Deal period, the Fair Labor Standards Act of 1938 created the right to a minimum wage and "time-and-a-half" overtime pay when people work over forty hours a week. It also prohibited the employment of minors. Following the New Deal, a number of bills were passed that restricted the activities of labor

unions. The Labor Management Relations Act of 1947, known as the Taft-Hartley Act, amended the 1935 National Labor Relations Act (NLRA). It prohibits unions from engaging in several unfair labor practices. Prohibited practices include jurisdictional strikes, wildcat strikes, solidarity or political strikes, secondary boycotts, secondary and mass picketing, closed shops, and monetary donations by unions to federal political campaigns. In 2009, the Employee Free Choice Act, another bill that would have amended the National Labor Relations Act, failed to pass.

In 2020, a majority of California voters passed Proposition 22. Prop 22 classified gig workers as independent contractors and introduced new requirements for platforms to fund benefits, including guaranteed earnings, healthcare stipends, injury protection insurance, and discrimination and safety protections. Many polls have shown that drivers come to gig work for its flexibility, which they will lose if they are reclassified as employees. In addition, the California legislature recognized that they needed to tailor the scope of its new worker classification law to avoid the unintended consequences of capturing traditional independent contractors by creating exemptions, including for the securities and insurance industries, veterinarians, lawyers, freelance writers, accountants, licensed real estate agents, and home appraisers, among others.

## Provisions in the PRO Act

The PRO Act contains five major provisions:

1. Allows unions to override right-to-work laws and collect dues from employees who opt out to cover the cost of collective bargaining and administration fees. Currently, 27 states have right-to-work laws that allow workers in union-represented

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Center Forward brings together members of Congress, not-for profits, academic experts, trade associations, corporations and unions to find common ground. Our mission: to give centrist allies the information they need to craft common sense solutions, and provide those allies the support they need to turn those ideas into results.

In order to meet our challenges we need to put aside the partisan bickering that has gridlocked Washington and come together to find common sense solutions.

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C E N T E R FORWARD workplaces to opt out of the union. These workers are still covered under the union's wage and benefits but do not have to pay dues.

- 2. Forbids employer interference and influence in union elections. The act bans company-sponsored meetings, with mandatory attendance, and allows employees to vote in union organizing elections off the company property.
- 3. Allows unions to seek arbitration and mediation to settle disputes on agreements between management and employees.
- 4. Prevents an employer from using an employee's immigration status when determining the terms and conditions of employment.
- 5. Establishes monetary penalties for companies, corporate directors, and executives who violate workers' rights.

Richard Trumka, the President of The American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), stated, "the PRO Act would protect and empower workers to exercise our freedom to organize a bargain." While the U.S. Chamber of Commerce published a statement stating the act would "undermine worker rights, ensnare employers in unrelated labor disputes, disrupt the economy, and force individual Americans to pay union dues regardless of their wishes."

## Congress and the Future of the Pro Act

The PRO Act passed in the House of Representatives on March 9, 2021, with a 255-206 vote. But, it is unlikely to pass in the Senate due to a lack of Republican support as well as a few moderate Democrats who have not cosponsored the bill.

While the PRO Act is unlikely to become law, unionization efforts among large companies are likely to continue to spread as a majority (59%) of workers across the U.S. and across all sectors say they support increased unionization in their own workplaces.

## Links to Other Resources

- ALF-CIO <u>What is the PRO Act?</u>
- CNBC <u>The Amazon, Starbucks, Apple union push is capturing what a majority of all American workers now say they</u> <u>want</u>
- Congress.gov <u>H.R.842 Protecting the Right to Organize Act of 2021</u>
- EMC Research <u>California App-Based Rideshare & Delivery Driver Survey September 2021</u>
- Human Rights Watch —<u>Why the US PRO Act Matters for the Right to Unionize: Questions and Answers</u>
- NRF <u>10 reasons to hate 'the worst bill in Congress'</u>
- NPR <u>House Democrats Pass Bill That Would Protect Worker Organizing Efforts</u>
- U.S. Chamber of Commerce <u>Stop The PRO Act</u>
- U.S. House Committee on Education and Labor <u>Protecting the Right to Organize Act</u>