

**Testimony of
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before the

**MD House of Delegates Economic Matters Committee
February 17th, 2023**

regarding

HB 0556 An Act Concerning Cannabis Reform

Good afternoon, Chair Wilson, and Vice Chair Crosby and members of House Economic Matters Committee. I am here today on behalf of the United Food and Commercial Workers International Union (UFCW), UFCW Local 27 and UFCW Local 400. UFCW 27 is headquartered in Baltimore and represents over 10,000 members in Maryland who work in retail food, food service, food processing and healthcare. UFCW Local 400 is headquartered in Landover and has contracts in various industries representing 10,000 members in Maryland. Thank you for the opportunity to speak with you this evening about an issue important to Maryland's working families.

Nationally, UFCW represents over 1.3 million hard-working men and women who work in highly regulated industries including the emerging legal cannabis industry. Our cannabis members can be found across multiple states in growing and cultivating facilities, manufacturing and processing facilities, and in laboratories and dispensaries. Wherever cannabis is legalized, the UFCW is committed to building family sustaining jobs and a strong, diverse and skilled workforce.

UFCW supports the legalization of recreational cannabis in Maryland with the addition of labor peace agreements as a condition of cannabis licensure and renewal and with the addition of a workforce development program. Labor peace agreements protect businesses, workers and consumers, and are an effective regulatory tool for the state. And a robust workforce development program for cannabis workers will ensure that jobs go to the communities most affected by the War on Drugs.

A labor peace agreement is an agreement between an employer and a bona fide labor organization in which the parties agree to maintain labor peace. Such agreements protect the government's interests by prohibiting labor organizations and their members from engaging in strikes, boycotts, picketing and any other interference with the employer's business. In return, the employer agrees not to interfere with efforts by the labor union to communicate with, and attempt to organize and represent, the employer's workers. At its

core, these negotiated labor peace agreements create an orderly and fair process for workers to decide whether they want or don't want representation.

Labor peace agreements can help address the existing disparities in the cannabis market by providing equal opportunities for women, people of color, LGBTQ individuals, veterans, and people with disabilities to own businesses or work within the industry.

Access to representation helps ensure that a broad range of workers can benefit from the fledgling industry, especially workers from communities that have been disproportionately impacted by cannabis prohibition in the past.

For too long, communities of color have suffered as a result of top-down policy making that is disconnected from lived experiences. This is especially true for communities that have experienced extreme sentencing and racial profiling as a result of the criminalization of cannabis. To truly end cannabis prohibition, Maryland must take steps to redress the harms of decades of over-policing, criminalization, and incarceration of people of color that resulted from cannabis criminalization. The political will and financial resources mobilized in the War on Drugs to put people in jail must be matched with equal resources to create an equitable new industry.ⁱ To fulfill the promise of this industry for impacted communities and to lead nationally in a just transition, Maryland leaders should consider how cannabis jobs can improve the lives of the families who were impacted by a failed and brutal cannabis prohibition. The political will to end cannabis prohibition must include taking the questions of race, equity, harm, and redress seriously.

Unions and front-line cannabis workers can be important partners in equitable hiring and worker organizations can be important institutions for establishing hiring centers and workforce development programs that ensure diverse, skilled, and long-tenured workforces. But first we must decouple the new industry from an unjust criminal justice system and ensure that workers can organize without interference.

It is no surprise that multiple other states have chosen to include labor peace requirements for cannabis licensure. California, Connecticut, Rhode Island, New Jersey, and New York all require cannabis operators to sign agreements requiring labor peace. Each of these states faced similar questions and arguments about labor peace and each of these states, their legislature and legislative counsel agreed that labor peace requirements in cannabis were good and consistent with state and federal law.

A study of a labor peace requirement, and other employment requirements, at San Francisco Airport, concluded that the requirements “dramatically reduced turnover, improved worker morale and [resulted in] greater work effort.”ⁱⁱ Unions in general enhance worker's job satisfaction and consequently employees are more willing to work harder leading to higher productivity and quality of output.ⁱⁱⁱ A workforce comprised of union members is characterized by reduced turnover, which in turn saves the business money in the long term with less spending on frequent training and induction of new employees.^{iv} That is why localities require labor peace in other industries.^v Indeed, when gaming was legalized in Maryland, Labor Peace requirements were included to ensure that Maryland working families had a fair opportunity to work lasting, lucrative jobs in the new industry.

Another major barrier to ensuring equitable outcomes in the cannabis market is a skilled workforce. In some cannabis job categories like cultivation, people with the knowledge from the underground economy are reluctant to enter formal jobs. In cannabis retail jobs, turnover is high due to a lack of translatability between traditional fashion or food sales. In addition, States are establishing in-depth safety and production regulations that are much-needed but new to the industry – which require even further training.

A cannabis training program can be constructed to answer to employer, state and community demands – while helping ensure that the benefits of the green rush spread widely. They can act as a pillar to an industry to hold up the structures that guarantee a diverse workforce and a pathway to the middle class for a wide range of workers. UFCW supports a recreational cannabis industry in Maryland that will create sustainable jobs for families for the foreseeable future. Our experience is that labor peace agreements and workforce development are an effective way to achieve that. Labor peace agreements will reward responsible businesses and ensure that Maryland’s cannabis industry is driven by companies committed to making long-term investments in local communities.

The nascent Maryland cannabis industry presents an unparalleled opportunity to build a new kind of industry for Maryland, one that redresses historical and continuing harms and gives workers an opportunity to exercise workplace democracy to improve both the industry and Maryland communities. Policymakers must embrace principles of equity and workplace democracy from recruitment to career advancement in order to build a shared culture of equality. Two strong mechanisms to do so are workforce development programs and labor peace agreements as a condition of licensure.

Thank you for the opportunity to comment.

ⁱ “Since 1971, the war on drugs has cost the United States an estimated \$1 trillion. In 2015, the federal government spent an estimated \$9.2 million every day to incarcerate people charged with drug-related offenses—that’s more than \$3.3 billion annually.” Center for American Progress, “Ending the War on Drugs: By the Numbers,” June 27, 2018. <https://www.americanprogress.org/issues/criminal-justice/reports/2018/06/27/452819/ending-war-drugs-numbers/> Furthermore, “Black people are approximately four times more likely to be arrested for marijuana possession than are white people—a disparity that increased 32.7 percent between 2001 and 2010—with far more severe penalties.” Altaf Rahamatulla, “The War on Drugs has Failed. What Next?” Ford Foundation Equal Changes Blog, March 23, 2017, <https://www.fordfoundation.org/ideas/equal-change-blog/posts/the-war-on-drugs-has-failed-what-s-next/>

ⁱⁱ <https://irle.berkeley.edu/files/2003/Living-Wage-Policies-at-San-Francisco-Airport.pdf>

ⁱⁱⁱ Christos Doucouliagos and Patrice Laroche, “What do union do to productivity? A meta-analysis,” *Industrial Relations*, 42:4 (2003)

^{iv} Paula B. Voos, “How Unions Can Help Restore the Middle Class,” Testimony given to the Senate Committee on Health, Education, Labor and Pensions, March 10, 2009. Transcript available at:

https://www.epi.org/publication/how_unions_can_help_restore_the_middle_class/

^v https://www1.nyc.gov/assets/home/downloads/pdf/executive-orders/2016/eo_19.pdf