

Summary of the Proceedings of the 25th Biennial Convention

Art Pulaski
Executive
Secretary-Treasurer

California
Labor
Federation
AFL-CIO

Tom Rankin
President



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Proceedings
of the
25th Convention
California Labor Federation

Holiday Inn by the Bay, San Diego

July 13, 2004

Call to Order and Opening Ceremonies



President Tom Rankin called the convention to Order at 10:15 a.m. After a performance of “Amazing Grace” by the San Diego Fire Fighters Emerald Society Pipes and Drums, the pledge of allegiance was recited.

President Rankin introduced Jerry Butkiewicz, Secretary-Treasurer of the San Diego-Imperial Central Labor Council. Mr. Butkiewicz described his experience leading the San Diego CLC, noting, “About eight years ago the Labor Movement in San Diego decided that we were going to change the way San Diego did their politics and the way they treated workers in San Diego.” He then proudly

announced their successes since then. “We used to have one vote on the city council eight years ago when we were happy that we had a labor spot basically on the city council. But we needed to learn how to count to five, because we couldn't get anything done if we couldn't get five votes. Now we have six Democrats on our city council in San Diego.”

Mr. Butkiewicz then introduced Rabbi Lori Coskey, the leader of the Interfaith Committee for Worker's Justice, who led an invocation.

Reports Distributed to Delegates

All delegates received relevant Convention materials in their packets prior to the opening ceremonies. Included were:
Reports of the Executive Secretary-Treasurer, Executive Council, Auditors and the Membership Per Capita Report

Convention Committees Approved

Upon the motion of Executive Secretary-Treasurer Pulaski, the delegates approved the Convention Committees as appointed by President Rankin.

Credentials Committee

Karen Lipney, Chair, AFTRA
Alex Mallonee, North Bay CLC
Ali Cooper, Sacramento CLC
Anes Lewis-Partridge, Napa-Solano CLC

Barbara Blake, UNAC-AFSCME 1199
Bob Guillen, Ventura BCTC
Christopher Graeber, IUPAT 2345
Cliff Tillman, SEIU 415
Dan Lawson, UAW 2865

FX Crowley, IATSE 16
Helen Coleman, AFGE 1122
Lee Sandahl, ILWU 34
Marilyn Valenzuela, Tri-Counties CLC
Mickey Harrington, Butte/Glenn CLC
Ron Lind, UFCW 928
Virginia Santos, CWA 9407

Sergeants-at-Arms

John Spaulding, Chair, OE 12
April Lloyd, CWA 9586
Greg Reed, UFCW 870
Neil Silver, ATU 1277 LA
Nephi Hancock, IBEW 569
Ron Puls, LIUNA 326
Roy Morrison, BCTGM 85
Sharon Cornu, Alameda CLC
Sue Jackson, ATU 1225

Resolutions Committee

Dallas Jones, Chair, CPF
Aram Hoddess, UA
Barry Broad, IBT
Cindy Tuttle, OE 3
Connie Leyva, UFCW 1428
Dean Tipps, SEIU
Eddie Powell, IATSE
Enrique Fernandez, HERE 19
Eugene Hudson, AFGE
Jim Gordon, CWA
Jose Moreno, LIUNA
Keno Carr, TWU 505
Linda Gregory, AFSCME 829
Shelley Kessler, San Mateo CLC
Walt Petrovich, IUPAT

Legislation Committee

Sonia Mosley, Chair, UNAC-AFSCME 1199
Al Shur, IBEW 569
Alejandro Stephens, SEIU 660
Barry Luboviski, Alameda BCTC
J.J. Jelincic, SEIU 1000
Jim Beno, IAM 190
John Beaumont, NALC 214
Ken Burt, CFT
Lou Paulson, CPF
Nancy Wolhforth, OPEIU 3

Oscar Owens, ATU
Pamm Fair, SAG/AFTRA
Paul Kumar, SEIU 250
Richard Benson, UFCW 870
Stanley Smith, Jr., UA 483
Tim Cremins, OE 3
Tom Ramirez, CWA 9421
Willie Pelote, AFSCME

RULES AND ORDERS OF BUSINESS COMMITTEE

Bob Balgenorth, Chair, SBCTC
Al Shur, IBEW 569
Alejandro Stephens, SEIU 660
Cristina Vazquez, UNITE
Dean Tipps, SEIU
Eugene Hudson, AFGE
Jeannette Humphries, SEIU 99
Jim Gordon, CWA
John Perez, UTLA
Ken Orsatti, SAG
Marvin Kropke, IBEW 11
Mary Bergan, CFT
Miguel Contreras, LA County Fed. of Labor
Nancy Wohlforth, OPEIU
Perry Zimmerman, IBEW 1245
Shelley Kessler, San Mateo CLC
Sonia Moseley, UNAC - AFSCME 1199
Willie Pelote, AFSCME

Constitution Committee

Eliseo Medina, Chair, SEIU
The Executive Council met as a committee of the whole on July 12, 2004.

Preliminary Report of the Committee on Credentials

Karen Lipney of the American Federation of Television and Radio Artists and chairperson of the Credentials Committee announced that the committee had been meeting since July 12, 2004 and presented an updated roster of the delegates to the convention. Her motion to adopt the preliminary report was carried by the delegates

Report of the Committee on Rules and Order of Business

Bob Balgenorth of State Building and Construction Trades Council and chairperson of the Rules and Order of Business Committee announced that the committee had met March 16, 2004 and presented the rules to the convention. His motion to adopt the Standing Rules as published in the materials received by the delegates was carried.

1. Robert's Rules of Order. The Convention shall be governed by Robert's Rules of Order on all matters not provided by the Constitution or specified in these rules.

2. Rules-Adoption of Standing Rules. The adoption of the standing rules shall require an affirmative vote of a majority of the duly qualified delegates to the Convention, present and voting. When once adopted, such standing rules shall remain in effect, unless suspended or amended as provided in these rules.

3. Amendment of Standing Rules. No standing rule of the Convention shall be amended except by an affirmative vote of a majority of the duly qualified delegates to the Convention, present and voting. No such amendment shall be considered until it shall have been referred to and reported by the Committee on Rules.

4. Attending the Convention: This is a private meeting for those authorized to attend and is not open to the general public. Authorized delegates may bring guests to the convention only with prior approval of the Federation. Elected officials, candidates, their staff or members of the public press will not be pre-approved. Space for guests will be reserved on a first come, first served basis.

5. Convening the Convention. The Convention shall convene at 10 a.m. the first day, July 13th, 2004, and shall recess from 12:00 to 1:30 p.m. that day. Thereafter, it shall convene at 9 a.m. and shall recess from

12:00 until 1:30 p.m. The Convention shall recess at 5:00 p.m. or earlier each afternoon unless the delegates agree to extend the sessions or to call a special night session by a two-thirds vote of those present and voting.

On close of Convention business July 14th, 2004, a separate session of the Convention will be held, the business of which will be devoted to a pre-general election Convention, the business of which shall be confined to consideration of endorsement of candidates and statewide propositions and to appropriate resolutions pertaining to political action as provided in article XIV(a), Section 2(b) of the Federation's Constitution. This particular business of the Convention shall proceed until completed without regard to hours of recess otherwise stipulated under these rules.

6. Resolutions Defined. Whenever the word "resolution" is used in these rules it shall include Constitutional amendments.

7. Committee Reports. All committees shall report on all resolutions submitted to them. Whenever there is a majority and minority division on any committee, both the majority and minority shall be entitled to report to the Convention. The discussion and vote of concurrence or nonconcurrence shall be first on the minority report.

8. Committee Quorum. A majority of any committee shall constitute a quorum for the transaction of its business. At least a majority of all members present and voting shall be required to adopt a recommendation on a resolution.

9. Passage of Resolutions and Committee Reports by Convention. A majority of the delegates present and voting shall be required to act on a committee report or a resolution except the Constitutional amendment, which shall require a two-thirds vote of the delegates present and voting. No motion shall be acted upon until an opportunity to speak has been given the delegate making or introducing same, if he or she so desires.

10. Roll Call Vote. At the request of 30 percent of the delegates present and voting, any motion shall be voted on by roll call per capita vote of the delegates. When a roll call has been ordered, no adjournment shall take place until the result has been announced.

11. Precedence of Motions During Debate. When a question is under debate or before the Convention, no motions shall be received but the following, which shall take precedence in the order named:

First, to adjourn; second, to recess to a time certain; third, for the previous question; fourth, to set as a special order of business; fifth, to postpone to a stated time; sixth, to postpone indefinitely; seventh, to refer to, or re-refer to committee; eighth, to divide or amend; ninth, to lay on the table.

12. Motions in Writing. Upon request of the Chair, a motion shall be reduced to writing and shall be read to the Convention by the Chair before the same is acted upon.

13. Contents of Motions. No motion, whether oral or written, shall be adopted until the same shall be seconded and distinctly stated to the Convention by the Chair.

14. Motion to Reconsider. A motion to reconsider shall not be entertained unless made by a delegate who voted with the prevailing side; such motion shall require a two-thirds vote to carry.

15. Motion to Table. A motion to lay on the table shall be put without debate.

16. Recognition and Decorum of Delegates.

(A) Delegates, when arising to speak shall respectfully address the Chair and announce their full name and identity of the organization which they represent.

(B) In the event two or more delegates arise to speak at the same time, the Chair shall decide which delegate is entitled to the floor.

(C) No delegate shall interrupt any other delegate who is speaking, except for the purpose of raising a point of order or appealing from a ruling of the Chair.

(D) Any delegate may appeal from a decision of the Chair, without waiting for recognition by the chair, even though another delegate has the floor. No appeal is in order when another is pending, or when other business has been transacted by the Convention prior to the appeal being taken.

(E) Any delegate who is called to order while speaking shall, at the request of the Chair, be seated while the point of order is decided, after which, if in order, the delegate shall be permitted to proceed. The same shall apply while an appeal from the Chair is being decided.

(F) No delegate shall speak more than once on the same subject until all who desire to speak shall have had an opportunity to do so; nor more than twice on the same subject without permission by a majority vote of the delegates present and voting; nor longer than 5 minutes at a time without permission by a majority vote of the delegates present and voting.

(G) Any delegate may rise to explain a matter personal to himself or herself and shall forthwith be recognized by the Chair but shall not discuss a question in such explanation. Such matters of personal privilege yield only to a motion to recess or adjournment.

17. Voting Not to be Interrupted. When once begun, voting shall not be interrupted. No delegate shall be allowed to change his or her vote, or have his or her vote recorded after the vote is announced.

18. Recommendations from the Floor During Pre-General Election Convention.

(As provided for in the Constitution of the California Labor Federation, AFL-CIO—Article XIV, F, Section 4) No recommendation may be presented from the floor of the Convention for action on any office unless the recommended action concerning such office has already been rejected by Convention action.

19. Two-Thirds of Majority Vote: All endorsements shall be by at least a two-thirds majority vote of the delegates present

and voting, in accordance with the per capita formula specified in the Constitution of the

California Labor Federation, AFL-CIO-
Article XIV, F, Section 5.

Address
TOM RANKIN
President
California Labor Federation, AFL-CIO

Thank you, Art. Thank you, delegates. Thank you, band. I want to talk today about a couple of issues. One is health care, clearly, the need to save SB-2, to pass Prop. 72. And the second is the presidential election.

We need to save our country, we need to save our jobs, we need to save our rights, we need to save our values from a man -- from a man who wasn't even legitimately elected and a man who's done more harm to our democracy than any president that I can remember.



Tom Rankin We need to elect a president who can turn the country around, who can stop the hemorrhaging of our jobs, who can reestablish our right to organize and renew our reputation in the eyes of the world. Bush's ill-conceived war in Iraq has brought that reputation to an all-time low.

But to begin with I want to look back a little bit and remember where we were the last time we had our convention in San Diego, which was 1990. It was a little later, I think July 23rd. Deukmejian was in his last year as governor. We didn't have a budget yet in Sacramento. I remember being on the phone a lot trying to figure out what was going on there.

We had Pete Wilson from San Diego running against Diane Feinstein for governor. We had the senior Bush as president in the middle of his term. And health care was the major issue of the day.

We talked a lot about it at that convention. Jack Henning talked about it in his address. We talked about it a lot in our policy statements. Medical costs were skyrocketing. According to our policy statements that were adopted by that convention, health-insurance had increased by 30 percent in 1988, '89 and employers were passing the higher costs on to their employees. We said that almost every strike involved a dispute over health benefits.

At that time there were almost 6 million uninsured and two-thirds of them were working people and their families. The cost shift onto our plans from uncompensated care provided by cities and counties accounted for 10 to 30 percent of the premium increases. Does that sound familiar?

The state legislature was trying to deal with the issue at that time. The president wasn't. Willie Brown, after trying to pass a bill to increase and expand coverage, gave up on that and passed a bill, actually signed by Wilson, that created a task force to study the health-care problem in California. The Federation participated in that process. Jack assigned me to work on that. It came up with a proposal, but that was rejected by Pete Wilson.

But then because of the election, there was a lot going on. It looked like Feinstein might win, and she had promised that if she won, within the first hundred days of being governor she would sign a bill to cover the uninsured in California.

So during the fall of 1990 there were a lot of negotiations. And the only reason the employers and the insurance industry

and the health-care industry came to the table with us was because of the threat that Diane Feinstein presented to them.

But, of course, when she lost, everything dissolved, except the crisis, of course.

And then Bill Clinton, in 1992 when he was elected, vowed to provide us with national health care. That hope was smashed by the insurance industry. We all remember the Harry and Louise ads. The premiums, though, for a while after that, went down, probably because of the political threat that national health care posed to a number of people.

And at the state level we still kept trying. There were various initiatives on the ballot. They failed. The insurance industry, business prevailed again.

Premiums then at about 2000 or even before started to skyrocket once more. They killed us at the bargaining table.

And in 1992 you remember at our convention in San Francisco we passed a resolution on health care asking the Federation to sponsor a bill, which was grounded on our present employer-based health-care system, to increase the coverage of health care to uninsured Californians.

And that bill, SB-2, carried by John Burton, was the result of our convention action. We couldn't have done it without an alliance with the California Medical Association. They were about the only allies we had. It was a struggle to pass the bill, and I want to thank all of you for your work in contacting your legislators, in signing petitions, and in agitating for that bill. It was a struggle to draft the bill. I want to thank especially Angie Wei from our staff who worked very hard on that. Angie's a great person.

We had, I don't know, maybe 15 lawyers trying to work on the ERISA issue, and we got that taken care of.

And, of course, it was a struggle to get the bill signed because we, at that time, had a governor who, although he signed an

unprecedented number of bills of ours and finally signed this one, he suddenly somehow could not get it together to embrace an issue ahead of time and use it. But he did sign the bill.

And the immediate reaction, of course, the Chamber of Commerce and the business community, who were dead set against the bill, was to start a campaign to collect signatures for a referendum to overturn what we had just done. And they carried on a very deceptive campaign. I don't know how many, but I bet a whole lot of people who signed their petitions thought they were signing petitions to give them health care instead of to take it away.

At any rate, they got enough signatures. It will be on the ballot. We kept it off the March ballot through legal action, but it will be on the November ballot. And it's a difficult situation, because it requires a yes vote to keep what we got the legislature and the governor to put into law.

We want to ask the question why were there so few employers -- so few of those employers who provided health care to their workers, why did so few of them stand up for the bill? And why aren't they with us now supporting Prop. 72?

I think the answer goes back to what Jack Henning always used to point out to us at our convention. That the employers in these matters act as a class, and it's class warfare. Employers may, in general -- we may be able to deal with them as individuals at the bargaining table. But when it comes to an issue like this, with few exceptions, they stick together, and they stick together behind an ideology that resists any form of government mandate or regulation.

That is why they can't get together even as a group to reregulate Workers' Comp. insurance. The insurance industry and Workers' Comp. is killing the employers. When it was deregulated in the mid nineties, things were good for a while and then, starting around 2000, the premiums went through the roof. We

reformed the system, but the insurers will not pass the savings on to the employers.

Why won't the employers get with us on this issue? Again, it's because of their ideology. They want to regulate anything. That's also why it makes it so difficult for us in Sacramento to improve laws -- to improve the enforcement of our labor laws. Every law-abiding employer should like that. It puts them on a level playing field.

But the Chamber of Commerce resists those laws tooth and nail, and no single employer, no good employer ever gets up and says, "Yes, this is a good bill. It will help us if our competitors have to abide by the law."

So clearly we have a problem. We will have a big burden of passing Prop. 72 just like we had to carry the burden of getting SB-2 passed. We cannot look, unfortunately, for help from the employer community. I would love it if you could prove me wrong and get your employers -- and I challenge you to do it -- get your employers to come out and adopt Prop. 72. It's really in their own self-interest.

If we fail in our efforts, I'm afraid we will never get universal health care in this country for many years to come. And I'm afraid that health-care costs will continue to rise beyond our control, and our efforts to contain them will be set back for another 10 years.

If we fail, other states will want to follow our example and pass similar legislation we'll be signing. And I think if we fail, it will be immeasurably harder for President John Kerry to keep his election promises to expand access to health care and to reduce premium costs.

And if the truth be told, this is really a problem that requires a national solution. Clearly we're not going to get a national solution with George Bush in office. The Bush Administration's record on health care is a disaster. During his first three years in office the cost of workers' contributions for family coverage went up almost 50 percent.

How family-friendly and compassionate does that sound?

During his first three years in office about 5 million more people became uninsured. His budgets have proposed taking billions away from health care, from Medicare, and from the federal-state children's health insurance programs. He has opposed the National Patient's Bill of Rights and has recently succeeded in getting the Supreme Court to overturn the Patient's Bill of Rights that was passed in Texas when he was governor.

The one thing that he has supposedly done for health care -- the Medicare drug bill -- is a convoluted joke. It prohibits Medicare from negotiating lower prices with drug companies. It does nothing to solve the overall problem of out-of-control drug costs, it's useless to many of the retirees it's supposed to help, and it sets the stage for the privatization of the Medicare program.

This is just how the Bush Administration operates. Under the guise of improving the Medicare system, it undermines the system itself. Under the guise of boosting the economy, Bush undermines a progressive tax system and creates huge budget deficits which then undermine the economic safety net that protects the less fortunate people in our country.

Under the guise of providing national security, Bush starts a preemptive war in Iraq which in effect -- and the polls show that the public now is beginning to realize it -- undermines our national security and increases the threat of terrorist attacks. His use of the national security issue is a disgraceful one and a dangerous one. He's used it to undermine our civil rights with the Patriot Act. He's used it to take away collective-bargaining rights from about 175,000 federal employees. And we just learned, as we just learned in the last couple days, his administration was even trying to figure out how to use it to undermine our

democracy by postponing the election in the event of another terrorist attack.

It's not just our health care, our jobs and our civil and human rights that are at stake in this election. It's the core values of our democratic system itself. This man has to be replaced. It won't be easy.

It won't be easy. National security is a big trump card. But it can be done, and it has to be done. And the Labor Movement has to lead the way.

In the next few months before November 2nd we've got a lot of educating and a lot of organizing to do. We've done it before. We remember what we did in 1992 on Prop. 226. We defeated it. How did we defeat it? By getting our union members and their family members to vote with us. They voted against Prop. 226 in vast numbers, 71 percent I believe it was. The

general public -- The general public voted for it. That shows how important the union vote is. And we can do it again. The Federation will do everything it can do to provide the information and worksite flyers and mailings and so forth. But it will take your leadership at the local level to make it happen. It's a big task.

Finally, I note tonight that you're having a dinner for me to express your appreciation for the work I've done over the years, and I appreciate that. But I just want to say in closing that the best appreciation, the best measure of appreciation that you could give to me is to do everything you can between now and November 2nd to pass Prop 72 and to elect John Kerry. Thank you very much.

Report of the Committee on the Constitution

Eliseo Medina, chairperson of the Constitution Committee announced that the committee met on July 12, 2004 and reported on one resolution referred to the committee. Resolution 1, regarding the retirement of Tom Rankin and the new

President's position, was discussed and ultimately carried. Mr. Medina then moved to adopt the entire report of the constitution committee as a whole and this motion was carried.

Connie Leyva Elected President of the California Labor Federation

With the retirement of Tom Rankin from his Presidential position, a new President was sought. Executive Secretary-Treasurer Art Pulaski nominated Connie Leyva, of UFCW Local 1428. In his nomination speech he noted about Ms. Leyva, "Connie Leyva was a strong leader for her members when they most needed her. Connie demonstrated a vigor and a drive that represents the new kind of growth for the growth spurts of our reinvigorating Labor Movement."

Jerry Hunsucker of UFCW Local 1288 seconded this motion, along with Jim Santangelo of Teamsters Joint Council 42,

Nancy Wohlforth of the OPEIU, all of whom had tremendously praiseworthy comments. No other nominations were made for President, and Ms. Leyva was elected as the first-ever female President of the California Labor Federation.

Executive Secretary-Treasurer Art Pulaski was re-elected to his position, following praise-filled endorsements from President Tom Rankin, Miguel Contreras of the Los Angeles Central Labor Council, Mark Garcia of SEIU and Bill Price of the State Retiree Council.

Address
CONNIE LEYVA
In-Coming President
California Labor Federation, AFL-CIO

To my friends and colleagues in the Labor Movement, I am honored to be here today. I am honored and I'm very excited. I accept the position with the appreciation of all the responsibilities and demands that it holds. I am so proud of the work that the Federation has done. This Federation has made more accomplishments in the last few years than any other Federation in the United States of America. You should be very proud.

I thank my predecessor, Tom Rankin, as President of the California Labor Federation, for the excellent legacy that he has left for all of us.



Connie Leyva

My own roots run deep in the Labor Movement. My dad started with the Retail Clerks before I was even born. He then went on to be a Teamster for many years, as well as a Machinist. My mom's been with CSEA for 28 years. Growing up, we had a nice home and we had good health benefits. We had a very stable life. We had a very stable life because both of my parents were union workers and had good union jobs.

Somewhere over the last decade or so America has lost its way with respect to its workers. Somehow a hard day's work no

Art, I look forward to working with you, as well as all the vice presidents, as we take the Labor Movement into the future and create a Labor Movement and a workplace that is better for all workers in all unions.

longer is enough to provide for your family. Never has the gap between rich and poor been so deep. The ever-dwindling middle class is at risk. We need to change that.

I am proud to be a worker, and I am proud to be part of the middle class. The middle class is the backbone of America.

Our job, as we move forward, is to work together, all unions in this great state of California, to create good jobs and better working conditions for all workers to breathe life back into the middle class.

As all of you are aware, the UFCW just ended a 4-1/2 month strike in Southern California. Many of you were out there, and I thank you very much, because we couldn't have done it without you. One of the biggest lessons I learned during our strike was the importance of solidarity. My fight is your fight, and your fight is my fight. Together I see great success for all of us.

I look forward to working with each and every one of you, and I thank all of you for your vote of confidence today.

And Tom, I know the rules. I am going to hand this back to you as you will continue to be president until the end of the convention. Thank you very much.

LOS ANGELES CHOSEN FOR 2006 BIENNIAL CONVENTION

The Executive Council met and nominated the City of Los Angeles as the host for the 2006 Biennial Convention. The delegates of the convention carried this motion. This decision was boo-ed by the audience continuing into the following address.

Address
ART PULASKI
Executive Secretary-Treasurer
California Labor Federation, AFL-CIO

Spanish explorers came ashore here and named this place after they saw the great mountains and valleys of our land here. And they named it after a mythical Amazon paradise. They called that California.

Millions have migrated with the same golden dream from that mythical paradise since those explorers first called this place California. And there are now some houses on those hills that we are not allowed to see.



Art Pulaski

Five months ago there was a religious pilgrimage that left Los Angeles and took two days to travel north to the small hamlet of Contra Costa County known as Alamo. And that pilgrimage of religious leaders was met by local leaders to bring a message to the home on the hilltop of Steven Burd, the CEO of Safeway Corporation.

As they walked toward the hill – to simply deliver a message of reconciliation for the health care of those striking workers, they were met by a police roadblock. The police force said that, "You are not allowed to enter this private road to Mr. Burd's hilltop home."

After some negotiations, they finally agreed to permit five religious leaders -- most of them old -- to walk up that mile and one half steep hill. They had to stop several times because the hill was so steep and it was such a hot day. Halfway there, still three quarters of a mile from his home, they were stopped again and told, "That's as far as you can go on this public access road."

Bikers and hikers were allowed on that road because his house is right across the way from a public park. But strikers and pastors were not.

They were met by a security person from the corporation who came down to scare them off. In an extraordinary moment they reached out their hands and said, "Will you take our hands and join us in prayer."

Days before that we had a rally 50 miles away in front of the Safeway in San Francisco, in the middle of which we discovered two armed men. They were plainclothes officers from Contra Costa County, and out of their jurisdiction infiltrating a union rally in front of Safeway.

We discovered them, because one of the union organizers a week earlier had been questioned by them, and they'd introduced themselves as local Homeland Security officers. We were being observed by Homeland Security, and we caught them. And let me tell you, we gave them hell.

We smoked them out, and they lied to us. And here's the point. Why, we asked, were we being observed, clearly in preparation for the subsequent days' visits to the home of Steve Burd in Contra Costa County by Homeland Security. And then we learned something new, that Steven Burd, as a donator and contributor, had been serving on the George W. Bush Office of Homeland Security Advisory Commission. And now we know whose homes homeland security is meant to protect.

And the story isn't done. That week there was a story on the front page of the San Francisco Chronicle that exposed a club of wealthy individuals who, with \$100,000 donation, got into a special group at the University of California, San Francisco Medical Center, Cardiac Care Unit, so that if

they ever needed cardiac care, they would be able to go to the front of the line. They had special hospital suites waiting for the Steven Burds and his like who live on the hilltops who give \$100,000 or more.

Special suites and special treatment at the public university hospital. While they are taking away our health care, they are creating a special health-care system for themselves.

His house on the hill is no longer just a symbol of the wealth gap in America. It confirms for us the harsh reality of two Californias -- the wild chasm between the haves and the rest of us. Public police paid to keep us separate. Public university paid with special suites for special care for special customers. More of us with no health care at all.

And now with the Bush recovery, profits are up, it's a bull market, and the GDP is growing. Yet the fast-moving industries are low wage and the slow-moving industries are high wage. They are downsizing, outsourcing and exporting our jobs, and we are fighting back.

Our bills in Sacramento will outlaw outsourcing and offshoring with State funds, and it isn't easy. There's no wider class rift than denying our healthcare. While the ranks of the uninsured grow by 14,000 every week in California, and we pay for it, now they even want to try to deprive union members with contracts for that care.

Tom mentioned a few moments ago that Jack Henning on occasion would refer to corporate class warfare. When we fight these battles in Sacramento, when we fight for health care, and we fight to protect workers, it's they who say, "You're talking about class warfare." It's they who say, "Don't do that."

Well, let's just be damned clear. They take away our jobs. They started it. They eliminate our health care. They started it. The struggle between the classes, they're engaged in it. And that's why we fight back.

Our health care, quality and saving costs are shifting, benefits degrading, dependence eliminating, employees are paying. Corporations are relegating our health care and our quality of life to some primitive Darwinian ethic: the fittest survive.

But the issue of the right of our health care is at some fundamental core value of America's principles. And we are at a defining moment as to whether or not we lose and let slip away this California dream, this right to good health; allow slip away for some more of us and then more of us.

We now have the most far-reaching health-care law passed anywhere in any state ever. And it says that it is time in America that the rich corporate employers provide health care for their workers and their families. It's that simple.

And this is the toughest fight we've ever had in Sacramento, to pass SB-2, but we're making them do it. And now, by God, as long as we are standing and can fight, we say that Steve Burd and his ilk are not going to be the only ones to get quality health care from our public health-care institutions or any hospital at all in California as long as we live.

Opponents are now spending millions upon millions to lie and to frighten voters into thinking two things. One - that this is government-controlled health care, and it frightens them. By God, they're calling us Communists. That went out a while ago, but they're reaching awful deep.

And then they say, "Well, we're going to send jobs away," like they're not doing that now. It is class warfare, and they're engaged in it. As far as I'm concerned, the Labor Movement of California is ready to damn well fight back.

And it's about our power to protect. We have to educate the public about the fact that this is good for them. They know it instinctively until they get scared away. But we also know that we have to compete in

our television ads where they spend 15 and \$20 million, and we're going to have to spend at least 12 in order to spread the message of truth.

Because for the rare time in people's lives, they have an opportunity, they who have never received healthcare before, to vote, to vote to say yes, I will get health care from my employer. It's a remarkable thing. And we will educate voters about that real truth and opportunity.

And we will activate our members. With Prop 226 and with Gray Davis the public at large voted against both of our positions. And it was union members who mobilized and turned out in higher numbers and greater percentage that we were able to turn the vote around in both those cases. We asked you -- and this afternoon we'll talk about it more -- about your engagement in an intensive strategy first to inform your members, in particular through a worksite program, we know that our members need to learn at least nine times each that this is good and this is important and this is why we should vote for Prop. 72, the new prop number for health care, the SB-2.

California is a threatened state. Our opposition is emboldened by the recall of our beloved governor. Big business and the Republican right are joining forces again to take back every advance that we achieved over the past eight years. Term limits and the dramatic loss of voter registration and the moderate elected Democrats are endangering us. Republicans want to keep the governor's seat for themselves and take back the legislature to undo our progress.

We look now to 2004 to win Prop. 72, to save Barbara Boxer and to beat George Bush. And we also now, at the same time, begin to look ahead to 2006 and begin our planning now. Because it's now that we need to begin the voter registration drive.

And let me tell you now that in January we're going to begin, and we're going to hold public regional meetings for our members to meet with all the candidates for governor, January of this year for the 2006 election, so that we can establish the issues important to every union.

Because right now some candidates for governor engage in retail politics, in piecemeal politics, and they'll pick you off. They'll say, "We'll support your union on this little thing" and hope that that's enough. And we want all unions to come together to declare the broad issues upon which we all agree; and are necessary for the advancement of all working people, and we do that together as a group with these candidates.

We hope that you will join us with your members in a big way in January as we begin the plan of 2006 elections to establish a working California agenda that will carry us for many years to come.

Brothers and Sisters, the California dream and the American dream -- these are the words from that great bard of Harlem, the finest American poet:

"Let America be America again.
Let it be the dream it used to be.
Let America be the dream the dreamers dreamed...
The millions who have nothing for our pay
Except the dream that's almost dead today...
O, yes I say it plain.
The land that never has been yet
I say it plain,
America never was America to me,
And yet I swear this oath--
America will be!"

It's up to us as the strongest movement of people in this state and in this nation to make America America again. Thank you.

JOHN SWEENEY VIEWS BATTLE FOR SB-2 AS EMBLEMATIC FOR NATION

John Sweeney, President of the American Federation of Labor and Congress of Industrial Organizations, addressed the audience regarding the importance and scale of political projects going on around the country. He held that the fight to pass SB-2



John Sweeney

and Proposition 72 in California were a microcosm of the larger national movement towards affordable and available healthcare. "When you passed a health insurance bill or act last year, you laid down the marker for the rest of our country to follow, and you created the kind of pressure we need to guarantee every American family health care a basic right. You also awakened all the corporate Cookie Monsters among us, freeloaders like Wal-Mart and McDonald's who leach unearned profits from our health-care system."

"For instance, we recently learned that every Wal-Mart store with 200 employees costs our communities nearly \$500,000 a year because the workers can't

afford the company's overpriced health insurance."

"What you did by passing SB-2 was the first step in eliminating corporate welfare as we know it. It's an absolutely crucial step to establishing a level playing field so that all businesses can compete, so that responsible companies are not saddled with costs of freeloaders, so that it is not a penalty to a company to behave responsibly, and so that our unions can bargain without facing debilitating pressures from a race to the bottom in terms of health care and decent jobs in every round of negotiations."

President Sweeney also connected this struggle to the national campaign for the Presidency, noting, "John Kerry and John Edwards believe as we believe, that affordable health care is a right, that every child deserves a decent education, every senior a secure retirement, every corporate criminal a stiff punishment, every person the same civil and human rights." He concluded noting the importance of individuals to get out the union vote. The movement for affordable and available health care is imminent, and requires local, statewide and national efforts in order to win.

MIKE GARCIA KICKS OFF THE PROPOSITION 72 HEALTH CARE CAMPAIGN

Mike Garcia of SEIU Local 1877 spoke on the importance of passing Proposition 72 in the general election and a worksite-based strategy for getting it passed. "The most effective way we communicate with our members is to have that real conversation with them on the job about the issues that we all care about."

"Building a strong worksite program allows us to personalize our relationship with our members and engage and educate

our members as equals, and engage in real discussions on the issues and the message that we're delivering to our members."

Garcia emphasized the importance of Proposition 72 in the context of the current health care crisis. "We need political and legislative change. We need to elevate the playing field for all those nonunion workers in our industry that the employers cry about they can't compete with at the bargaining table."

“Yes on 72’ levels that playing field and brings all employers to the table in our industries. And only when they have to provide care will they be invested in solutions to the crisis, into cost containment. Winning 72 makes us a greater force for change on all of our issues because we know the health-care crisis is sucking up all the economic spending ability and power that's at play at the bargaining table.”

Revered Billy Performs

Reverend Billy performed his “stop-shopping” routine. Reverend Billy is a member of ACT, New York, a university union affiliated with the UAW in New York. He has taken a leave of absence from the



Reverend Billy

screens of New York and is going all around the country and the world. He has been arrested at Wal-Mart 64 times. He has done so much street theater in Starbucks that the company issued a memo to all employees on this, and since then sorts of disgruntled employees at Starbucks have contacted him, and their stories are compiled in a book now, entitled, "What Should I Do If Reverend Billy Comes Into My Store?"

Report of the Committee on Resolutions

Dallas Jones, Chair of the Committee on Resolutions, read policy statements and motioned to adopt all twelve. Supporting discussion was made in favor of Policy Statements 1 (The Economy), 6 (Economic Development and Public Sector Investment) and 7 (Education).

He then moved to adopt the following resolutions, all carried by the convention:

2 – Support the Working Families/Labor Channel Proposal

3 - "No Match Discharges" – An Injury To One Is an Injury To All.

6 - Build Unity and Trust Among Workers Worldwide (Was Combined with Resolution 9 and 13 and carried)

8 – Fair Trade Resolution

15 – Bring The Troops Home (Amended and discussed in support of briefly)

16 – Million Workers March On Washington, D.C. (Amendment failed to erase last two lines of the resolution)

18 - Unknown History: Deportation of Mexican Americans (Amended)

20 - Applying Union Power To Alternative Energy Development

27 - Support for Customer Service Representatives at America West

Note: Two-Thirds Vote Requirement

Whenever required during the proceedings, all motions were passed by the necessary two-thirds vote requirement

Proceedings
of the
Second Day
California Labor Federation Convention
July 14, 2004

Report of the Committee on Legislation

Chairperson Nancy Wohlforth, of OPEIU, read aloud the following resolutions, which were all subsequently carried to adopt:

4 – *Support Universal Health Care* (An amendment was proposed and carried and resolution was adopted with this amendment)

5 – *Defend the U.C. Institute for Labor and Employment*

10 – *A Contract Expenditure Budget for California*

11 – *Stop Corporate Tax Avoidance*

12 – *Offshoring U.S. Jobs*

14 – *The PATRIOT Act*

17 – *Opposition to the Federal Marriage Constitutional Amendment*

19 – *Oppose Repeal of SB 1419*

21 – *Quality Child Care and Preschool for All California Children*

22 – *Statewide Housing Trust Fund*
(Amended and carried)

23 – *Oppose Labor and Human Rights Abuses of Wal-Mart*

NAN BRASMER RALLIES SUPPORT FOR THE OURX BILL OF RIGHTS

Nan Brasmer, President of the recently founded California Alliance for Retired Americans (CARA), addressed the audience on the organization's work to pass the OuRX bill of rights, which would combat the high prices of drugs in California. She began



Nan Brasmer

by saying, "I think it's time, or maybe the time has come, for the folks in this country -- not only Labor, but our community-based people as well -- to finally come of age where sitting at home

doing nothing, bitching and moaning and not making the impact they perhaps made when they were working folk, has changed. We're getting more and more seniors involved, more and more young people. There are two people on the board of CARA that are under 50."

"We are calling ourselves the face and voice of California seniors present and future, "CARA" meaning face in Spanish. It is exciting, it is motivating, and people see us and they come running. It's exciting to see that, because all of you have recruited and organized within your union. I know I have for years. And you get so many

excuses. But you know what? They see the need, and they're not making excuses."

She then circulated postcards to be mailed to Governor Arnold Schwarzenegger and other legislators urging them to support the OurX bill of rights. "Please sign them and pass them to the end of your table where we can pick them up. They call on the governor to sign the OurX Bill of Rights bills when they get to his desk. It says: "I am a California resident and prescription-drug consumer. I am outraged about the high cost of drugs, lack of good information about generic and safe alternatives, and manipulative marketing prices of the pharmaceutical industry. California

consumers need relief. The way to spell relief is OurX Bill of Rights. Please sign all of the bills in the OurX package and provide relief to consumers, purchasers and providers."

"We're in the 21st Century; there are no more excuses. So bring your retirees to us, and you come along too, because we could sure give you something to do. Help us make a difference, because we are making a difference, and a difference it will be."

Walter Johnson Recognized

In recognition of Walter Johnson's retirement as Secretary-Treasurer of the San Francisco Labor Council, Executive Secretary-Treasurer Art Pulaski had a few comical words to say. "Walter, frankly, is one of the most admired men in most of our books... Walter is one of the most creative strategists, tacticians that I know. And I must tell you that not infrequently, when we're up particularly against a tough employer and need to figure out a new angle to help our union to deal with this employer, Tom and I sit down, and we say to each other, So in this case, since this is Walter's specialty, he said, "So what would Walter

Johnson do in this case?" And we look at each other, and we typically agree, well, let's not do that. In all honesty, when I've been in a tough spot with employers trying to figure out an angle, I think of what Walter would do, and I'll tell you, it's worked for us lots of times."



Walter Johnson

Steve Thompson Talks on the Labor-CMA Partnership for 72

Steve Thomson, Vice-President of the California Medical Association, addressed the delegates regarding the inter-organizational cooperation occurring between the Federation and the CMA. He recalled one famous speaker, "Robert Kennedy once said that, "The measure of a just society is how that society treats those least fortunate among them." With all of America's abundance and greatness, we've

never scored very well when 45 million Americans and 7 million Californians are without basic health insurance."

Thomson noted the divisive messages of the opposition, "The opposition has preyed on fears of individuals by saying, "If we expand health insurance to workers that don't have it, your life may be in jeopardy because that's going to cost jobs." This is the famous Chamber of Commerce

“job killer” tactic. I’ll tell you what a job killer is. A job killer is when you don’t have health care and you can’t be sustained enough to even go to work. That’s the true job killer.”



Steve Thompson

“The corporate interests that are funding the major opposition to this initiative, even those that may be under indictment, oppose providing health care to their lowest-paid workers. And to those harbingers of corporate greed, I say screw ‘em.”

Thompson stressed the importance of SB-2 and Proposition 72 and recalled the historic yet unfilled push in America to achieve statewide healthcare. “What we’re about in SB-2 is, in my view, a continuation of one of those things in America that has stuck in my craw as an individual, and stuck in my craw organizationally. We have hundreds and millions of workers, both in California and nationally, who do not have health insurance.”

After he finished speaking, Art Pulaski moved to make Steve Thompson and honorary union member for life. This motion was carried by the convention.

In Memoriam 2002 – June 2004

Lloyd “Andy” Anderson, CHP Teamsters
Local 85 and Parimutual Clerks Union

Woodrow Bailey, Cement Masons 500

Joe Barrigan, UFCW Local 1428

Bill Blackwell, UA Local 38

Dino Boneso, UA Local 457 and UA Local
409

John Bower, SEIU Local 535

Laurel Burley, University Federation of
Librarians Local 1795

Ron Cawdrey, CWA Local 9400

Joe Downs, ATU Local 1555

Steve Edney, CLF ECUIW/SIU

John Evans, Jr., Plumbers Local 38

Sally Jo Flint, IATSE Local 683

Bill Freeman, SEIU Western Region

Roger Hamilton, Asbestos Workers

Bill Hargate, IATSE Local 892

Sam Harman

William Henry “Big Bill” Harrison, IUEC
Local 8

Nancy Herman, CWA Local 9509

Thomas Herman, IAM Local 755

Elois Jenssen, IATSE Local 892

Dorethea Lucy, AFSCME

Judy Manon, SEIU Local 535

David Moore, IBEW Local 465

Tim Powers, LIUNA Local 270

Jim Quillan, IAM

Tim Sampson, CFA SEIU 1983 and
Energy Crisis support California Labor
Federation

Alzeree Swayne, SEIU Local 616

Floyd Tucker, San Francisco-Oakland
Newspaper Guild/CWA 39521 And
California Labor Federation

Max Warren, LIUNA

Lloyd Williams, UA

Hilary Wright, IATSE Local 892

Dave Moore, San Diego, Imperial Counties
Labor Council, IBEW 465

Wallace E. Kimball, CWA District 9

John Bowers, SEIU 535

Betty Albrecht, SEIU 535

Father Bill O'Donnell



2004 Endorsements of the California Labor Federation, AFL-CIO

The California Labor Federation, AFL-CIO, made the following endorsements for the election of candidates to the offices of the United States Senate, United States House of Representatives, State Senate, State Assembly and positions on the statewide ballot propositions, in a statewide general election on Tuesday, November 2, 2004.

United States Senator

Barbara Boxer (D)

United States Representatives in Congress

District	Candidate	District	Candidate
1	Mike Thompson (D)	3	Gabe Castillo (D)
2	Mike Johnson (D)	4	Bill Kirby (I)
5	Robert T. Matsui (D)	30	Henry A. Waxman (D)
6	Lynn Woolsey (D)	31	Xavier Becerra (D)
7	George Miller (D)	32	Hilda L. Solis (D)

8	Nancy Pelosi (D)	33	Diane E. Watson (D)
9	Barbara Lee (D)	34	Lucille Roybal-Allard (D)
10	Ellen O. Tauscher (D)	35	Maxine Waters (D)
11	Gerald "Jerry" McNerny(D)	36	Jane Harman (D)
12	Tom Lantos (D)	37	Juanita Millender-McDonald(D)
13	Fortney "Pete" Stark (D)	38	Grace Flores Napolitano (D)
14	Anna G. Eshoo (D)	39	Linda T. Sanchez (D)
15	Mike Honda (D)	40	J. Tilman Williams (D)
16	Zoe Lofgren (D)	41	No Endorsement
17	Sam Farr (D)	42	No Endorsement
18	Dennis A. Cardoza (D)	43	Joe Baca (D)
19	No Endorsement	44	Louis Vandenberg (D)
20	Jim Costa (D)	45	John W. Thomas (D)
21	No Endorsement	46	Jim Brandt (D)
22	No Endorsement	47	Loretta Sanchez (D)
23	Lois Capps (D)	48	No Endorsement
24	Brett Wagner (D)	49	Mike Byron (D)
25	Tim Willoughby (D)	50	Francine P. Busby (D)
26	Cynthia M. Matthews (D)	51	Bob Filner (D)
27	Brad Sherman (D)	52	No Endorsement
28	Howard L. Berman (D)	53	No Endorsement
29	Adam B. Schiff (D)		

California State Senate

District	Candidate	District	Candidate
1	Kristine Lang McDonald (D)	15	Margaret A. Pinard (D)
3	Carole Migden (D)	17	Jonathon Daniel Kraut (D)
5	Michael J. Machado (D)	19	Paul Graber (D)
7	Tom Torlakson (D)	21	Jack Scott (D)
9	Don Perata (D)	23	Sheila James Kuehl (D)
11	Joe Simitian (D)	25	Edward Vincent (D)
13	Elaine Alquist (D)	27	Alan S. Lowenthal (D)
29	No Endorsement	35	Rita Siebert (D)
31	Marjorie Musser Mikels (D)	37	Pat Johansen (D)

California State Assembly

DISTRICT	Candidate	DISTRICT	Candidate
1	Patty Berg (D)	30	Nicole M. Parra (D)
2	Barbara McIver (D)	31	Juan Arambula (D)
3	Robert A. Woods (D)	32	Marvin Armas (D)
4	Todd W. Schwenk (D)	33	Tom Hutchings (D)
5	Sandra A. Carey (D)	34	Maggie Florez (D)
6	Joseph Edward Nation (D)	35	Pedro Nava (D)
7	Noreen Evans (D)	36	No Endorsement
8	Lois Wolk (D)	37	Ferial Masry (D)
9	Dave Jones (D)	38	No Endorsement
10	No Endorsement	39	Cindy Montanez (D)
11	Joe Canciamilla (D)	40	Lloyd E. Levine (D)
12	Leland Y. Yee (D)	41	Fran Pavley (D)
13	Mark Leno (D)	42	Paul Koretz (D)
14	Loni Hancock (D)	43	Dario Frommer (D)
15	Elaine Shaw (D)	44	Carol Liu (D)
16	Wilma Chan (D)	45	Jackie Goldberg (D)
17	Barbara S. Matthews (D)	46	Fabian Nunez (D)
18	Johan Klehs (D)	47	Karen Bass (D)
19	Gene Mullin (D)	48	Mark Ridley-Thomas (D)
20	Alberto Torrico (D)	49	Judy Chu (D)
21	Ira Ruskin (D)	50	Hector de la Torre (D)
22	Sally J. Lieber (D)	51	Jerome E. Horton (D)
23	Joe Coto (D)	52	Mervyn M. Dymally (D)
24	Rebecca Cohn (D)	53	Mike Gordon (D)
25	No Endorsement	54	Betty Karnette (D)
26	No Endorsement	55	Jenny Oropeza (D)
27	John Laird (D)	56	Rudy Bermudez (D)
28	Simon Salinas (D)	57	Ed Chavez (D)
29	No Endorsement	58	Ron Calderon (D)
59	Dan Harden (D)	70	Carl Mariz (D)
60	Patrick Martinez (D)	71	Bea Foster (D)
61	Gloria Negrete-McLeod (D)	72	Ross W. Johnson (D)

62	Joe Baca Jr. (D)	73	Kathleen Calzada (D)
63	No Endorsement	74	Karen R. Underwood (D)
64	Robert Melsh (D)	75	Karen Heumann (D)
65	Rita Ramirez-Dean (D)	76	Lori Saldana (D)
66	Laurel Nicholson (D)	77	Chris Larkin (D)
67	David Silva (D)	78	Patty Davis (D)
68	Al Snook (D)	79	Juan Vargas (D)
69	Tom Umberg (D)	80	Mary Ann Andreas (D)

Ballot Proposition Recommendations

1A	Protection of Local Government Revenues.	No Recommendation
59	Access to Government Information	YES
60	Primary Elections (<i>No Open Primaries</i>)	YES
60A	Surplus Property Sales	NO
61	Children's Hospital Projects	YES
62	Primary Elections (<i>Open Primaries</i>)	NO
63	Mental Health Services Expansion and Funding	YES
64	Limitations on Enforcement of Unfair Business Competition Laws	NO
65	Local Government Funding and State Mandates	NO
66	Limitations on "Three Strikes" Law	YES
67	Telephone Surcharge for Emergency and Medical Services	No Recommendation
68	Tribal Gaming Compacts (<i>Racetracks and Card Clubs Measure</i>)	NO
69	Collection of DNA Samples for State DNA Database	NO
70	Tribal Gaming Compacts (<i>Agua Caliente Measure</i>)	NO
71	Stem Cell Research and Funding	No Recommendation
72	Referendum Petition to Overturn Amendments to Health Care Coverage Requirements (<i>Health Insurance Act of 2003</i>)	<u>YES</u>

BALLOT PROPOSITIONS

The California Labor Federation made the following Recommendations regarding propositions that appeared on the November 2, 2004 General Election Ballot

PROPOSITION 59**Access to Government Information****Recommendation: YES**

Provides that the people have the right of access to information concerning the conduct of the people's business. Provides that the meetings of public bodies and writings of public officials and agencies shall be open to public scrutiny. Provides that any statute, court rule, or other authority, including those in effect on the effective date of this measure, shall be broadly construed if it effectuates the people's right of access, and narrowly construed if it limits the right of access.

PROPOSITION 60**Primary Elections and Sale of Surplus State Property (No Open Primaries)****Recommendation: YES**

States that a political party that participated in a primary election for a partisan office has the right to participate in the general election for that office and shall not be denied the ability to place on the general election ballot the candidate who received, at the primary election, the highest vote among that party's candidates. Requires that the proceeds from the sale of surplus state property, with specified exceptions, be used to pay the principal and interest on bonds issued under the Economic Recovery Bond Act (Propositions 57 and 58 on the March 2004 ballot). Once the principal and interest on those bonds are fully paid, requires that the proceeds from the sale of surplus state property be deposited in the Special Fund for Economic Uncertainties.

PROPOSITION 61

Children's	Hospital	Projects
Recommendation: <u>YES</u>		

Authorizes \$750,000,000 in general obligation bonds, to be repaid from state's General Fund, to fund grants to eligible children's hospitals for the construction, expansion, remodeling, renovation, furnishing and equipping of children's hospitals. Twenty percent of bonds shall be available for grants to certain University of California general acute care hospitals, and eighty percent of the bonds shall be available for grants to other general acute care hospitals whose missions focus on children with illnesses such as leukemia, heart defects, sickle cell anemia and cystic fibrosis, and which meet other stated requirements. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Assuming 30-year bonds at an interest rate of 5.5 percent, the state cost would be about \$1.5 billion over 30 years to pay off both the principal (\$750 million) and interest (\$800 million) on the bonds. Payments of about \$50 million per year. This measure would also result in minor administrative costs to the California Health Facilities Financing Authority.

PROPOSITION 62**Primary Elections (Open Primaries)****Recommendation: NO**

Requires primary elections in which voters may vote for any state or federal candidate regardless of party registration. Exempts presidential nominations and elections of party central committees, in which only registered party members may vote unless party otherwise permits. Only the two primary-election candidates with most votes for an office, whether or not members of the same party, would be listed on general election ballot; however, candidate receiving majority vote in special primary election is elected. Requires party's consent to allow identification of candidates' party registration on ballot and other official

election publications. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Measure would result in no significant net fiscal effect on state or local governments.

PROPOSITION 63

Mental Health Services Expansion and Funding

Recommendation: YES

Provides funds to counties to expand services and develop innovative programs and integrated service plans for mentally ill children, adults and seniors. Requires state to develop mental health service programs including prevention, early intervention, education and training programs. Creates new commission to approve certain county programs and expenditures. Imposes additional 1% tax on taxable income over \$1 million to provide dedicated funding for expansion of mental health services and programs. Current funding for mental health programs may not be reduced because of funding from new tax. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Additional revenues of approximately \$250 million in 2004-05, \$680 million in 2005-06, \$700 million in 2006-07, and increasing amounts annually thereafter, with comparable increases in expenditures by the state and counties for the expansion of mental health programs. Unknown savings to the state and local agencies potentially amounting to hundreds of millions of dollars annually on a statewide basis from reduced costs for state prison and county jail operations, medical care, homeless shelters, and social services programs that would partly offset the additional cost of this measure.

PROPOSITION 64

Limitations on Enforcement of Unfair Business Competition Laws

Recommendation: NO

Amends unfair business competition laws to: limit individual's right to sue by allowing private enforcement only if that individual has been actually injured by, and suffered financial/property loss because of an unfair business practice; require representative claims to comply with procedural requirements applicable to class action lawsuits; authorize only California Attorney General or local public officials to sue on behalf of general public to enforce unfair business competition laws. Penalties recovered by Attorney General or local prosecutors to be used only for enforcement of consumer protection laws. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Unknown fiscal impact on the state depending on whether the measure increases or decreases court workload related to unfair competition lawsuits; unknown potential costs to local governments, depending on the extent to which diverted funds are replaced.

PROPOSITION 65

Local Government Funding and State Mandates

Recommendation: NO

Requires voter approval for any legislation that provides for any reduction, based on January 1, 2003 levels, of local governments' vehicle license fee revenues, sales tax powers and revenues, and proportionate share of local property tax revenues. Permits local government to suspend performance of state mandate if State fails to reimburse local government within 180 days of final determination of state-mandated obligation; except mandates requiring local government to

provide/modify: any protection, benefit or employment status to employee/retiree, or any procedural/substantive employment right for employee or employee organization. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: This initiative would have the following fiscal effects, the magnitude of which would depend on future actions by the Legislature and state voters: Higher and more stable local government revenues than otherwise would have been the case, potentially several billion dollars annually. Significant changes to state finance, potentially including higher state taxes or lower spending on state programs than otherwise would have been the case. The state fiscal effect would be commensurate with the measure's impact on local governments.

PROPOSITION 66

Limitations on "Three Strikes" Law

Recommendation: YES

Amends "Three Strikes" law to require increased sentences only when current conviction is for specified violent and/or serious felony. Redefines violent and serious felonies. Only prior convictions for specified violent and/or serious felonies, brought and tried separately, would qualify for second and third "strike" sentence increases. Allows conditional re-sentencing of persons with sentences increased under "Three Strikes" law if previous sentencing offenses, or prior convictions used to increase sentences, would no longer qualify as violent and/or serious felonies. Increases punishment for specified sex crimes against children. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Unknown, but significant net savings to the state ranging from several tens of millions of dollars to several hundreds of millions of dollars

annually due to lower prison operating costs partially offset by costs associated with court-related activities, parole supervision, and the incarceration of and counseling services for sex offenders. Potential state deferral of several hundreds of millions of dollars in capital outlay costs associated with delayed construction of additional prison beds. Increased one-time costs of up to several tens of millions of dollars for jail and court-related costs; ongoing costs of a couple of tens of millions of dollars.

PROPOSITION 67

Telephone Surcharge for Emergency and Medical Services

Recommendation: NO

RECOMENDATION

Provides funding for emergency personnel training and equipment, reimbursement for uncompensated emergency physician care, uncompensated community clinic care, emergency telephone system improvements, and to hospitals for emergency services. Commission to administer physician funding. Funded by: Addition of 3% to surcharge rate on telephone use within California; portions of tobacco taxes; criminal and traffic penalties. Monthly cap of 50 cents on surcharge collected by residential service providers, but not cell phone or business lines. Excludes funding from government appropriations limitations, and telephone surcharge from Proposition 98's school spending requirements. Summary of estimate of Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Increased revenues of about \$550 million annually from increased charges on telephone usage for emergency care services and other specified purposes. These revenues would probably grow in future years.

PROPOSITION 68**Tribal Gaming Compacts (Racetracks and Card Clubs Measure)****Recommendation: NO**

Authorizes Governor to renegotiate tribal-state compacts to require that tribes: Pay 25% of slot machine/gaming device revenues to government fund; comply with multiple state laws; accept state court jurisdiction. Unless all compacted tribes accept terms within 90 days, or if terms determined unlawful, authorizes 16 specified non-tribal racetracks and gambling establishments to operate 30,000 slot machines/gaming devices, paying 33% of revenues to fund public safety, regulatory, social programs. Provides exemption from future state/local tax increases. Limits new tribal gaming. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: This measure would have the following major fiscal effect: Increased local government revenues of likely over \$1 billion annually from new gambling revenues. The revenues would be used primarily for additional firefighting, police, and child protective services.

PROPOSITION 69**Collection of DNA Samples for State DNA Database****Recommendation: NO**

Requires collection of DNA samples from all felons, and from adults and juveniles arrested for or charged with specific crimes, and submission to state DNA database; and, in five years, from adults arrested for or charged with any felony. Authorizes local law enforcement laboratories to perform analyses for state database and maintain local database. Specifies procedures for confidentiality and removing samples from databases. Imposes additional monetary penalty upon certain fines/forfeitures to fund

program. Designates California Department of Justice to implement program, subject to available moneys: Authorizes \$7,000,000 loan from Legislature for implementation. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: This measure would result in the following direct fiscal effects: Unknown annual state costs potentially over \$10 million initially, increasing to a couple tens of millions of dollars when fully implemented to collect, analyze, and store increased DNA samples. These costs would be partially offset by increased criminal penalty revenues. Unknown annual local costs potentially several million dollars initially, increasing to over \$10 million when fully implemented to collect DNA samples. These costs could be offset by increased criminal penalty revenues.

PROPOSITION 70**Tribal Gaming Compacts (Agua Caliente Measure)****Recommendation: NO**

Requires Governor to offer renewable 99-year gaming compacts to federally recognized Indian tribes providing: exclusive gaming rights on Indian land; no limits on number of machines, facilities, types of games; contribution to state fund of portion of net tribal gaming income, based on prevailing state corporate tax rate; off-reservation environmental impact reports, public notice/comment opportunities before significant expansion or construction of gaming facilities. Contributions are in lieu of any other fees, taxes or levies. Contributions terminate if state permits non-tribal casino-type gaming. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: This measure would have the following major fiscal effect: Increased state gaming revenues - potentially several

hundreds of millions of dollars annually. These revenues could increase significantly over time.

PROPOSITION 71

Stem Cell Research and Funding

Recommendation: NO

RECOMENDATION

Establishes "California Institute for Regenerative Medicine" to regulate stem cell research and provide funding, through grants and loans, for such research and research facilities. Establishes constitutional right to conduct stem cell research; prohibits Institute's funding of human reproductive cloning research. Establishes oversight committee to govern Institute. Provides General Fund loan up to \$3 million for Institute's initial administration/implementation costs. Authorizes issuance of general obligation bonds to finance Institute activities up to \$3 billion subject to annual limit of \$350 million. Appropriates monies from General Fund to pay for bonds. Summary of estimate by Legislative Analyst and Director of

Finance of fiscal impact on state and local governments: State cost of about \$6 billion over 30 years to pay off both the principal (\$3 billion) and interest (\$3 billion) on the bonds. Payments of about \$200 million per year.

PROPOSITION 72

Referendum Petition to Overturn Amendments to Health Care Coverage Requirements (Health Insurance Act of 2003)

Recommendation: YES

This petition will prevent implementation of Chapter 673, Statutes of 2003, previously approved by the Legislature and Governor, unless and until it is approved by a majority of voters. Measure creates mandatory employee health care benefits program for employers with 20 or more employees. Employees working 100 hours per month are covered. Fee for coverage paid at least 80% by employer and up to 20% by employee contribution. Exempts employers for providing alternative coverage.

Delegates Adopt Ballot Proposition and Endorsement Recommendations

Following floor debate, all of the Executive Council's Recommendations for the fourteen ballot propositions and endorsed candidates on the November 2, 2004 ballot were adopted by the convention.

Adjournment

All business was concluded and the 24th Biennial Convention was adjourned.

Financial Statement
Summary of Cash and Short Term Investment Balances
For the 24 Months Ending December 31, 2003

	General Fund	COPE	Member Communications	Combined
Checking accounts	29,875	64,603	268,876	363,355
Deposit and Investment Amounts	1,202,865	946,015	1,013,278	3,162,159
Totals	1,232,740	1,010,618	1,282,155	3,525,513

Statement of Cash Receipts and Disbursements
For the 24 Months Ending December 31, 2003

	General Fund	COPE	Member Communications	Combined
<u>RECEIPTS</u>				
1 Per Capita Tax-Local Union	5,676,129	2,101,645	2,102,270	9,880,045
2 Membership Fees - Council	5,797	169	0	5,966
3 Campaign Receipts	30,000	0	1,101,748	1,131,748
4 Interest Earned	29,242	27,613	15,249	72,104
5 Legislative Conference	95,156	0	0	95,156
6 Scholarship Receipts	0	0	0	0
7 Other Events & Programs	11,346	9,900	0	21,246
8 Reimbursed Exp\ Other Inc.	17,233	5,222	43,100	65,555
9 TOTAL RECEIPTS	5,864,903	2,144,549	3,262,367	11,271,819

EXPENSES

Personnel

10 Staff Salaries	2,304,226	675,771	2,814	2,982,811
11 Benefits and Taxes	767,758	156,197	0	923,955
12 Expenses and Allowances	15,932	0	0	15,932
13 Automobile Expenses	54,565	48,009	0	102,573
14 Travel	141,509	87,846	0	229,355
15 Professional Services	247,476	48,359	120,831	416,666
16 Other Personnel	23,246	89,742	0	112,988
17 SUBTOTAL PERSONNEL	3,554,712	1,081,191	123,644	4,759,547

Office

18 Rents & Improvements	732,649	6,141	0	738,790
19 Prorata Reimb. from COPE	(116,050)	116,004	0	(46)
20 Furniture and Equipment	82,552	404	0	82,957
21 Computer Equip. & Infrastructure	29,965	8,116	0	38,081

22	Printing	37,680	4,364	738,373	780,418
23	Equipment least	79,402	3,375	93,385	176,162
24	Postage and Delivery	46,924	9,037	438,821	494,782
25	Stationery and Supplies	51,998	4,395	13	56,406
26	Office Telephone Use	78,150	24,160	0	102,310
27	Cell Phone & Pager Use	29,241	14,963	0	44,204
28	Fax, Modem, Internet	25,856	5,202	0	31,058
29	Library Expense	544	0	0	544
30	SUBTOTAL OFFICE	1,078,912	196,160	1,270,593	2,545,664
Projects / Events					
31	Convention Expenses	120,634	102,608	43,012	266,254
32	Executive Council Exp.	11,655	2,904	0	14,558
33	Supp. for Grant & Found'n Prog.	417	0	0	417
34	Other Events & Programs	181,553	42,090	9,757	233,401
35	SUBTOTAL PROJECTS	314,259	147,602	52,769	514,630
Legislative					
36	Legislative Conf. Exp.	116,365	0	0	116,365
37	Legislative Information	20,141	0	0	20,141
38	Lobbyist Expenses	48,455	0	0	48,455
39	SUBTOTAL LEGISLATIVE	184,961	0	0	184,961
Other Items					
40	Communications	23,370	15,458	294,460	333,288
41	Contributions	77,430	846,370	0	923,800
42	Coordinated Campaigns	5,126	4,770	1,050,813	1,060,709
43	Polling / Research / Data	0	49,363	0	49,363
44	CLC Support	0	0	142,000	142,000
45	Retiree Representative	8,921	0	0	8,921
46	Taxes	5,940	17,689	0	23,629
47	Dues, Subscriptions, Publications	24,855	2,467	0	27,322
48	Scholarship Program	929	0	0	929
49	General Insurance	11,185	444	0	11,629
50	Auditing and Accounting	36,143	10,151	0	46,294
51	Legal Fees	72,052	14,848	0	86,900
52	Other Expenses	42,668	703	27	43,398
53	SUBTOTAL OTHER ITEMS	307,046	962,262	1,487,300	2,756,608
54	TOTAL EXPENSES	5,439,891	2,387,214	2,934,306	10,761,410
55	NET INCOME (LOSS)	425,012	(242,665)	328,062	510,409

Policy Statements

OVERVIEW

If this is a recovery, workers must wonder what a recession looks like.

President Bush's legacy to working Americans is the loss of millions of jobs. Since the US officially emerged from recession in November of 2001, about 22,000 jobs have been *lost* every month. Indeed, Bush is on track to be the first president since Herbert Hoover to preside over a net decline in jobs during his term of office.

There are some growth industries. Unfortunately, most of them are McJobs: work in retail or fast food or some other low-paid niche of the service sector. In California, the average wage of the growing industries is 40% lower than the average wage in the declining industries.

Another group of workers that is undoubtedly growing is the disillusioned. In March 2004 alone, approximately 588,000 workers in this country stopped looking for work. Some of them retired, others went back to school, others just gave up. Who can blame them?

As the jobless recovery continues and record numbers of good jobs disappear overseas, the Administration now says that offshoring US jobs to other countries is a good thing.

The economic indicators are mixed. The economy is growing. The stock market is up. Inflation is low, and so are interest rates. But the jobs simply aren't there. Economists say they're baffled.

We are not baffled. California unions and our members understand what happens when unscrupulous corporate executives and their cronies sit in the highest offices of the country: government policies benefit huge corporations, at the expense of working families.

Unemployment, wage stagnation and offshoring are not accidental. Indeed, they are quite desirable if the goal is to make the highest possible profit. Poor employment conditions not only save employers money on wages and benefits; they also help maintain a pliable workforce, because workers are too worried about hanging onto their jobs to complain about unsafe working conditions or organize a union.

As corporations and their allies try to foster economic insecurity, employers are becoming increasingly bold at taking away health care benefits. HMOs and health insurers make higher profits in our state than almost anywhere else in the country, but they make their money at the expense of the rest of us, who can barely afford our premiums. Seven million Californians now lack health insurance.

If corporations keep workers in line by keeping them anxious, small wonder that attacks on immigrant workers are on the rise. Nor is it surprising that the President has proposed an immigration “reform” which would create a perpetual underclass of workers lacking the rights, benefits and protections of citizens: a recipe for docile employees.

It is no surprise that the US government is pushing free trade deals that would put more downward pressure on wages and working conditions in this country. It is no surprise that our foreign policy has been hijacked by the profit motive of Bechtel, Halliburton and the like. It is no surprise that corporate accountability is more elusive than ever.

But it is also no surprise that California unions are fighting back. The men and women of the labor movement refuse to be intimidated. In our state, thanks to aggressive organizing, the percentage of workers belonging to a union has held steady for over six years, though it has declined dramatically in the rest of the country. 54% of California public employees are union members, compared to just 38% nationwide.

Union members aren’t afraid to fight for our wages and benefits. The recent strike by grocery workers showed how far workers were willing to go to protect health benefits. Last year, we fought for legislation that was hailed as “one of the most significant health care reforms in history.” And we won. The bill, SB 2 (Burton, Speier), will expand health care to over one million uninsured Californians.

California unions and our community partners continue to lead the country in protecting workers’ rights. We guaranteed California employees the right to six weeks of paid family leave to care for a new child or a sick relative, the first such law in the nation. We expanded living wage ordinances, so that the twenty-one California cities with living wage laws on the books can apply those standards to state development projects. And we improved lay-off notice protection for workers whose jobs are threatened by plant closures.

When corporations wield vast power over workers and the political system, unions are more important than ever. We must continue to be the conscience in an increasingly heartless economy. We must speak out for working people everywhere, especially those people who are most down and out. When so many people have no choice but to accept burger-flipping jobs, union members must be the ones to insist on meaningful work, safe working conditions, just wages and a voice in workplace decisions.

And in November, we must replace this corrupt and mendacious Administration with politicians who support working families in our fight for justice.

We have our work cut out for us.

SUMMARIES

The Economy

1 For California workers, the light at the end of the tunnel remains dim. Three years after the economy went into recession, despite a rebounding stock market and rising consumer confidence, there are few jobs to be seen. While the state remains a good place to do business, workers are suffering from the economic malaise. The manufacturing sector continues to decline. Meanwhile, offshoring threatens to send more work overseas, including public sector and service sector employment, forcing California workers to compete with workers abroad who earn less than a dollar an hour. New jobs, when they appear at all, tend to be in low wage industries like retail and fast food.

In these troubled times, California unions are working hard to turn things around. The labor movement has passed important legislation to raise living standards and maintain workers' rights. Hardworking organizers have pounded pavements to recruit new members and maintain union density rates. But we have our work cut out for us. Union members and leaders must continue to struggle to retain – let alone improve – our wages, benefits and standard of living. We support economic stimulus measures to get the economy rolling again, with targeted investments in education, infrastructure, transportation and economic development.

2 Health Care

California's health care system is in trouble. Nearly seven million Californians are uninsured. Poor quality care is disturbingly pervasive. The cost of health care is rising rapidly, as are profits for the health care industry. As the industry seeks to cut costs still further, they often jeopardize patient care. Preventable medical errors kill one person in California every hour.

California unions are leading the fight for better health care in California. Our most recent victory, the passage of SB 2, has been called "one of the most significant health care reforms in history." But labor must now defend this historic legislation, as large corporations demonstrate they would rather spend millions to overturn the new health care bill than provide health insurance to their own employees. We will also work to expand access, contain costs and improve the quality of health care in California. All Californians deserve high-quality health care when they need it.

FAIR WAGES

3 California suffers a crisis of the working poor. According to the Economic Policy Institute, one third of California workers don't earn enough to make ends meet. The Federation calls on the state to raise the minimum wage so that it can actually lift workers out of poverty. We support living wage ordinances like those now in place in twenty-one California cities. These laws reduce pay inequality and improve services, all at minimal costs. Living wages and other area wage standards also provide a "floor" from which unions can negotiate higher pay and benefits. Prevailing wages are another tool to raise the standard of living for working families and improve the state's economy. Paying prevailing wages to construction workers gives working families a way to climb the ladder to economic security. We

oppose efforts by the Bush administration to cut daily and weekly overtime protections for workers.

Protecting California Workers

4

Unfortunately for workers in California, low wages are not accidents or bad luck. They result from systematic efforts by employers to reduce costs at the expense of employees. Some businesses cut costs by hiring temporary or part-time workers instead of full-time regular employees. In California, the contingent workforce has grown rapidly to become a major challenge to the labor movement. Not only are wages low, benefits rare and pensions unheard of, but contingent employees are particularly difficult to organize. We support legislation to eliminate the cost advantages that encourage employers to hire contingent workers. Other businesses go to greater lengths to save money on workers, violating wage and labor laws and sometimes hiding from enforcement entirely by slipping into the shadowy world of the underground economy. The Federation supports tough enforcement efforts to punish labor law violators and crack down on the underground economy. All workers deserve fair wages and workplace rights.

5

Organizing

Thanks to the hard work of California organizers, unions in our state are growing. While union membership has declined in the rest of the country, this state has maintained a consistent level of union density for the last six years. The Federation celebrates recent organizing victories such as those of the academic student employees at UC and CSU and the legislative victory of court interpreters, who last year won the right to union representation. Labor law reform is critical to future organizing success: we support legislation to make it easier for workers to organize unions, and endorse stronger punishments for employers who illegally harass workers for organizing a union. The Federation also supports new and innovative organizing strategies that California organizers have adopted to bypass the legal structures that slow us down.

Economic Development and Public Sector Investment

6

California suffers a budget crisis so severe that despite the largest state bond offering in US history, the state still faces a massive budget deficit. This fiscal fiasco caps decades of underinvestment in the public sector. The Federation urges California to chart a better course, and invest in the prosperity of our state's workers, residents and economy. We support spending more on transportation and infrastructure, maintaining water as a public trust for the people of California, reregulating the utility industry, and promoting economic development that builds healthy communities. We advocate Project Labor Agreements as a mechanism to ensure public projects pay good wages and provide fair representation to workers. We defend public employees, who stand directly in the path of future budget cuts. We oppose deregulation and privatization of the public sector.

To pay for these public goods, the Federation supports a tax policy that is fair, transparent, and good for working families. The state should pay closer attention to tax expenditures and use them only when they are cost-effective tools of economic development that create real jobs and benefit communities.

Education

7

Education is the centerpiece of the public sector. No investment we make is more vital to the future prosperity of our state. The Labor Federation supports high quality public education, from preschool to higher education. We will defend public education against vouchers and other privatization efforts based on the mistaken premise that private sector competition will strengthen schools.

Education should begin with universal preschool programs, whose employees work in the public school system. Labor education should be a hallmark of education from the early grades through to the academy, both for the sake of students and the long-run health of the labor movement. Higher education in our state demands greater funding.

Education doesn't end in the classroom. A highly skilled, well-trained workforce is a key part of economic development. The Federation supports creative partnerships between schools or colleges, businesses, unions and the public sector to expand the skills of California workers. Some of our affiliates are already leaders in linking workforce development with job security. Other training can take place in high school school-to-work programs, community colleges, and apprenticeship programs. Perhaps no education better fulfills the ideal of preparation for employment than the apprenticeship programs of the Building and Construction Trade unions.

PROVIDING BENEFITS FOR INJURED AND UNEMPLOYED WORKERS

8

Workers need protection against unexpected interruptions in their work lives, such as workplace injuries or layoffs. Workers' compensation, disability insurance, and unemployment insurance all provide vital safety nets to working people. The labor movement has fought long and hard to win, maintain, and expand these programs.

The California Legislature overhauled California's workers' comp system in 2004. The Federation took a neutral position on this legislation, which includes both improvements in the system and take-aways for injured workers. The Federation continues to support re-regulation of the insurance industry, higher benefit levels, improved access to care, and a more efficient workers' comp system. Meanwhile, the Unemployment Insurance Trust Fund stands at the brink of bankruptcy this year. We endorse UI reforms to stabilize financing for the Trust Fund. The Federation also backs fair benefit levels and eligibility rules for UI and SDI recipients. California unions will continue to fight to support these programs as a basic component of workers' rights in California.

WORKPLACE HEALTH AND SAFETY

9

Preventing workplace injuries before they occur is even more crucial than a first-rate workers' compensation system. The Federation supports safe and healthy workplaces in California. Cal-OSHA, the backbone of state workplace health and safety, should be more responsive to dangerous worksites, particularly for immigrants. We support reforms that would make the agency more effective at protecting workers. Reform of the Cal-OSHA Standards Board is also important, to ensure that vacancies are not left open for years and that members represent workers as well as employers.

WORKING FAMILIES

10

Union members are more than just workers. We are also family members, neighbors and consumers. The labor movement defends the rights of working people in different areas of our lives, not just the workplace. The

Federation supports policies that help workers balance work and family. In 2002, we passed landmark legislation providing paid family leave for California workers after the birth or adoption of a new child or a serious illness in the family. We support consumer rights to product safety, financial privacy, and regulation of public goods. And we support the right to affordable housing, which involves building more housing for new tenants and owners, and protecting existing renters against unfair evictions and discrimination.

11

Civil Rights and Liberties

The Bush administration has used the war against terror as a cover for attacking civil rights and undermining civil liberties. But the rights on which our nation was founded are as important in times of war as in times of peace. The Federation stands with immigrants, people of color, the gay and lesbian community, the elderly, youth, people with disabilities, women, and other persecuted groups and calls for an end to discrimination. The labor movement was built by people outside the mainstream of US society and we will continue to stand by those communities in the face of harassment, intimidation and discrimination.

12

Trade Policy

The Federation supports international trade and rejects protectionism, but we oppose so-called “free trade” arrangements such as the North American Free Trade Agreement, the Free Trade Area of the Americas, and the Central American Free Trade Agreement. We oppose the “free trade” policies of the World Trade Organization and the World Bank. Multilateral free-trade regimes serve the interests of multinational corporations in gaining access to markets, but not the needs of workers for good jobs, consumers for safe products or people around the world for clean air and water. In free trade competition, only the corporations win: the rest of us are pitted against each other in a desperate race to the bottom. The benefits of trade should be distributed fairly, so that economic integration benefits workers, consumers and the environment, not just large corporations. We call for more meaningful connections across borders, like global unionism and international solidarity.

STATEMENTS OF POLICY

The Economy

I For California workers, the light at the end of the tunnel remains dim. Three years after the economy went into recession, the pace of recovery is painfully slow. Though the stock market is rebounding and consumer confidence is on the rise, there are few jobs to be seen. A jobless recovery isn't much of a recovery at all, if you have to work for a living.

Republicans have blamed California's economic woes on a bad business climate, lamenting that regulations, wages and social insurance drive up the costs of doing business in our state. But in fact, businesses are doing fine. Low interest rates, growing productivity and the upswing in financial markets are helping corporate profits. Despite their complaints about taxes, corporations pay a lower share of tax receipts in California today than they did 20 years ago. Bankruptcies for businesses declined here in 2002, while rising in surrounding states. The number of newly incorporated businesses reached an all-time high in 2003.

Indeed, Fortune Magazine has labeled California the nation's "Best State for Business."

It is workers who are suffering from the economic malaise. Nearly three million jobs have disappeared in the US since President Bush took office. Unemployment for California workers remains around 6.5%, over 1.5 percentage points higher than it was two years ago. For people without jobs, unemployment lasts longer than it has in decades, which means true jobless levels are higher than the numbers suggest: unemployment figures don't count workers too discouraged to look for work. The real number of jobs in the state has declined 5.2% in the last two years. Poverty is up, along with personal bankruptcies, while household income has fallen. It's not a pretty picture.

In California, the recession has produced a dire budget shortfall. Analysts have awarded our state the worst credit rating in the nation. To try to close the gap between revenue and spending, voters in 2004 approved the largest state bond offering in U S history: \$15 billion. The fiscal crisis has produced lay-offs for public sector employees, and further cuts in public services are inevitable.

The critical manufacturing sector continues to suffer particularly hard. In California, manufacturing jobs declined by over 10% in 2001, 4.8% in 2002, and another 2.1% in 2003. In 2000, there were 1,878,500 manufacturing jobs in the state, a number that has now fallen to 1,573,300. In March of 2004, the number of manufacturing jobs in the nation declined for the 43rd month in a row. These jobs are particularly critical for the economy because each manufacturing worker supports several other employees. Total manufacturing employment is down to its lowest level since 1963.

Amazingly enough, the Bush administration has suggested that fast food preparation jobs could be counted as manufacturing jobs, which would certainly eliminate the statistical evidence of manufacturing's decline. But equating the assembly of a hamburger with the construction of a car will do nothing to change the deterioration of work and the economy that results from the loss of manufacturing jobs through lay-offs, outsourcing and downsizing.

Unemployment is not the only indicator of economic hardship. Wages have stagnated for workers in the state. And increasingly, benefits like health care are on the line. In these tough times, employers have become increasingly bold in reducing or eliminating health care coverage, a leading source of labor strife. The recently settled strike by grocery workers in California was a dramatic example, but it was not an isolated case. In 2003, half the strikes in California were motivated by struggles over health care benefits. Unions will have to work hard to hold the line against attacks on our health care.

Sending Jobs Overseas

The availability of cheap labor abroad puts tremendous pressure on the California economy. Workers in our state must now compete with workers abroad who earn less than a dollar an hour. This is old news when it comes to manufacturing jobs, but in the last few years, a wave of service sector jobs have also been lost to the global economy.

Both private and public sector employers are increasingly taking advantage of the current free trade rules to send US jobs to other countries with lower wages and harsher working conditions. A recent *Los Angeles Times* article revealed that our state Food Stamps program hotline is staffed by workers in India and Mexico.

Over 14 million service sector jobs in the US are at risk of being offshored, as functions from paperwork to word processing to telephone answering are moved to lower-wage countries. Even software and other technology jobs are increasingly being relocated to India, where highly skilled and well-educated workers can replace US employees at a fraction the cost. 80% of the jobs in our country are in the service sector, and these workers (many of them union members) may well be the next to feel the impact of the corporate global economy.

Offshoring exemplifies the disconnection between employers and workers. An executive at Microsoft told his department heads last year to “Think India” and to “pick something to offshore today.” While this suggestion may serve the bottom line, it is a kick in the teeth for US workers.

The Bush administration has outraged US workers with its appalling statement that “outsourcing ... is a good thing.” Cavalier references to the competitive advantage of cheap labor are an insult to hardworking Americans whose wages have been slashed or jobs lost due to offshoring. Making matters worse, the administration’s budget for FY 2005 proposes to slash dislocated worker and job training funds by almost \$1 billion.

California must prevent corporations from exporting good jobs overseas. The Federation is sponsoring AB 1829 (Liu), which would stop the use of taxpayer dollars to create jobs in other countries. Government contracts should be used to create good jobs and state revenue for California. At least 25 other states have introduced similar legislation.

SB 1492 (Dunn), another Federation-sponsored bill, would require all privacy-related work to be done within the United States, where consumers and shareholders have legal protections and recourse. After a worker in Pakistan threatened to release patient records from UC San Francisco if she was not paid her due wages, it has become apparent that only in the US can privacy rights be protected.

Neither the national Bureau of Labor Statistics nor the state Employment Development Department currently collects data on the offshoring of jobs. But without data, it is virtually impossible to assess the extent of international outsourcing or its effects on domestic employment. The Federation-sponsored AB 3021 (Assembly Labor Committee) would require any corporation doing business in California to report how many workers it employed in the state, in the country and abroad.

Recovery Without Equity

Jobs are vital to the health of our economy, but not all jobs are created equal. As the recovery limps in, new jobs are primarily low-quality jobs like retail jobs: wages are low, benefits nonexistent and working conditions sub-standard. Average wages have declined in real terms since 1979, especially for the bottom 20%. Seven of the ten fastest growing jobs in the state pay less than \$11 an hour. More and more employers are replacing full-time workers with contingent ones: temps, part-timers, “independent contractors” and sub-contractors.

While California's economy grew steadily during the 90s, not everyone benefited equally. In the boom years of the 1990s, the rich got richer faster than the rest of us, as anyone watching San Francisco real estate prices can report. When the economy suffered in the recent recession, it was low-income Californians who hurt the most. Today, California is one of the most unequal states in the nation: only four states have a greater gap between rich and poor.

Inside the workplace, the gap between top and bottom is growing, too. The average CEO makes 531 times more than the average blue-collar worker. If worker pay had risen at the same rate as executive pay during the last decade, the federal minimum wage would be \$25.50 an hour.

Unions Fight Back

In this climate of inequality, California unions are working hard to turn things around. After decades of declining numbers, union membership in California started to grow in 1996, and has continued to grow. Because of the growth in the workforce, these efforts have not changed the percentage of workers who belong to a union, but they have prevented a decline. In 1997, California unionization rates looked like the rest of the country. Today, 16.8% of the workers in our state are union members, compared to just 12.9% for the rest of the country. Public sector unionism in particular distinguishes California from the rest of the country. Fully 54% of public employees in this state are union members, compared to just 38% across the country.

In Sacramento, unions in our state have worked hard to raise living standards and maintain workers' rights. In 2003, we helped pass legislation (SB 640, Burton) preventing expatriate corporations from winning state contracts. The same year, Governor Davis signed a Federation-sponsored bill obliging businesses who lay off 50 or more workers to give 60 days notice (AB 2957, Koretz). This legislation gives California the strongest worker layoff notification system in the country. But there is farther to go. Businesses that intend to close plants should be required to bargain over alternatives. In cases of closure, they should provide ample severance pay and income maintenance programs, extended health benefits, high-quality retraining for real jobs, and early retirement.

California union members will have to fight to raise or retain our wages, benefits and standard of living. We demand greater accountability from corporations who receive state tax breaks or tax credits. We support efforts to impose labor rights criteria on investments of CalPERS money in emerging foreign markets. We support tax and economic development policies that avoid bidding wars, in which corporations pit communities against each other, extorting subsidies and tax breaks, in return for the location of plants.

We will continue to fight fraud and greed by unscrupulous corporations. Insider trading, the Enron debacle, the discovery that mutual funds were allowing after-hours trading for their biggest clients: these and other scandals tarnish the good name of American business. The Federation will support legislation that protects workers and consumers from unfair business practices. We urge California workers to stand up to corporate wrongdoing in all its forms.

Economic Stimulus Programs

In such uncertain times, California workers need economic stimulus programs to create jobs and get the economy moving. The Federation supports investment in education, which provides jobs for teachers and also helps build a skilled workforce for future economic growth. We also support major investments in infrastructure, both physical and economic. Spending today will create jobs and improve the overall quality of life for a generation to come. We back targeted investment in the public health system, transportation, energy production and supply and the water system. Government

spending on these building blocks laid the foundation for California's tremendous post-war boom. Without this sort of spending, our economy will continue to languish.

We also support policies that fuel the economy by putting more money in the pockets of working families. Raising the minimum wage and winning local living wage ordinances are among the best ways to increase the purchasing power of consumers, whose spending stimulates economic growth. We also support increases in unemployment insurance benefits: studies have shown that every dollar spent on UI benefits results in a \$2.15 contribution to the economy.

In the face of these challenges, the response from the Bush administration has been a slap in the face to US workers. In February 2003, Bush proposed a fiscal year 2004 budget with a \$951 billion tax cut package over the next decade that would primarily benefit millionaires, push the federal budget to a record deficit in fiscal year 2004 and destroy 750,000 more jobs over the next 10 years. Last year, Congress passed a \$320 billion tax measure that gave the wealthiest 1 percent of Americans an average of almost \$100,000 in tax reductions over the next four years.

In 2004, the Republican spending plan threatens deep cuts in Medicare and Medicaid, veterans programs, student loans and school lunches, child care, food stamps, and more, even as we continue to fund a war in Iraq at the cost of over a hundred billion dollars.

WE DO NOT SUPPORT TAX BREAKS FOR MILLIONAIRES: LET'S GIVE TAX CUTS TO THOSE WHO NEED THEM THE MOST AND ARE MOST LIKELY TO SPEND THEM: LOW- AND MODERATE-INCOME WORKING FAMILIES. AND WE CALL ON THE FEDERAL GOVERNMENT TO PROVIDE AN INFUSION OF FEDERAL AID TO STATE AND LOCAL GOVERNMENTS. CALIFORNIA IS NOT THE ONLY STATE IN THE THROES OF FISCAL CRISIS. WE URGE THE FEDERAL GOVERNMENT TO CHART A BETTER COURSE FOR THE NATION.

2

Health Care

California unions are leading the fight for better health care in California. Our most recent victory has been called "one of the most significant health care reforms in history." The Federation recently sponsored Senate Bill 2 (Burton, Speier), the "Health Insurance Act of 2003," which will expand health care to over one million uninsured Californians. Under this law, medium and large employers must either purchase health insurance for their workers or pay into a state purchasing pool that would buy health coverage. Working people in California deserve health care for themselves and their families.

But California unions now face a difficult battle to defend this historic legislation. Many of the largest corporations—such as Macy's, McDonalds, and Target—are now attempting to repeal SB 2 by referendum on the November 2004 ballot. These corporations would rather spend millions of dollars smearing the new health care bill than provide health insurance to their own employees.

The fight to defend SB 2 is also a fight to defend health care for all of us. If employers succeed in repealing Senate Bill 2, our negotiated health care packages will be next. The recent UFCW strike demonstrated that employers are ready to place health care benefits on the chopping block. For over half a million California workers in bargaining during 2004, health care is a top priority. California union members are now fighting for health care at the bargaining table and at the ballot box.

The Federation will defend SB 2. We will also continue the struggle to expand access, control costs, and improve quality in the health care industry.

An overview of California's health care system—How did we get here?

California's health care system today operates far below basic standards for access, equity, quality, stability and cost containment. Nearly seven million Californians are uninsured, the vast majority of them either working or in working families. People of color, immigrants and low-wage workers are over-represented among the uninsured. Poor quality care – or the misuse, over-use and under-use of medical services – is disturbingly pervasive. And all of these problems are made significantly worse by the rising costs of health care.

Health care costs are rising

The late 1990s saw the return of large and persistent increases in insurance premiums, hospital charges and spending, and prescription drug use, much of it fueled by industry efforts to improve profit margins. Indeed, the spiral in price increases has gone hand in hand with soaring profits for the health care industry. Today, five HMOs and health plans in California now control over half the market. As the industry becomes increasingly concentrated, health care providers can make their fortunes at the expense of patients, unchecked by competition. HMOs and health insurers in our state have the second highest profits in the nation, though compared to other states, less of our health care premiums are actually spent on medical services than anywhere else.

Consolidated hospital systems also have increased market power to negotiate higher prices. Six hospital systems now operate more than one-third of California hospitals, and over half of California hospitals are affiliated with multi-site systems. But the bigger the hospital, the greater the costs. Research shows that a one percent increase in the number of hospital beds owned by a hospital system produces a two percent increase in in-patient hospital expenses. As a result, California leads the nation in the growth of hospital in-patient costs.

The big pharmaceutical companies are also helping to drive the explosive growth in the use of expensive new prescription drugs. Drug spending has increased by double-digits in each of the past four years. Two-thirds of this spending increase reflects price inflation and the replacement of newer, more expensive medications with existing drugs losing their patents. Over half of the pharmaceutical dollar goes to profits, marketing and administrative costs. Promotional spending by the health care industry more than doubled between 1996 and 2000. Not surprisingly, prescription drug spending also increased 86 percent over the same period.

Cost escalation poses a serious problem for all of us. It swells the ranks of the underinsured and uninsured, strains public health and finance systems, reduces real wage growth, and slows economic recovery by inhibiting or curtailing new hires. It also sets the stage for an increasingly confrontational and uphill bargaining environment, as the UFCW strike in Southern California has so starkly and ominously illustrated.

Employers have chosen to respond to higher costs by pushing them onto workers. Workers faced a 30 percent increase in premium contributions in 2003. Rising co-pays and deductibles add to the financial burden. Equally troubling is the growing tendency by employers, health plans and providers to pin rising costs on the unhealthy lifestyles of workers and consumers. Medical savings accounts and other “consumer-driven” insurance products place the blame – and the financial responsibility – on workers and their families. Making health care more expensive for those who use it defies the very idea of health care as an insurance program.

Industry profiteering is undercutting health care quality

Industry efforts to curb costs also raise important quality-related issues. California workers and consumers are subject to mistreatment, over-treatment and under-treatment on an unacceptable scale. Medical errors are conservatively estimated to be one of the top 10 causes of death in the United States and as many as 98,000 preventable deaths occur in hospitals annually. That translates into one person dying every hour in California from a preventable medical mistake.

Going to the hospital is supposed to help you get better. But the health care industry's obsessive pursuit of profit produces frightening lapses in quality. Understaffing and overwork inevitably lead to higher error rates. Reduced consumer choice can undercut quality care. Skewed financial incentives cause hospitals and clinics to either give patients too much treatment or not enough.

Where do we go from here?

Without a clear and coherent strategy for health care reform, the health care crisis will only grow worse. Employers will continue to shift costs onto workers. The number of uninsured will continue to rise. Public health and finance systems will come under increasing strain. Cost pressures will further threaten the quality of care. And the cycle will continue.

The California Labor Federation believes that all Californians should have the health care they need when they need it. Our ultimate goal is a single public insurance system that provides high quality health benefits to all regardless of employment status. We cannot, however, wait for such a system to take hold. Immediate steps must be taken to expand access, contain costs, and improve the quality of health care in California.

The Federation supports the following reforms to our health care system.

Expand health care access:

- ***Defend SB 2. California unions, doctors, nurses, legislators and allies responded to the crisis of the uninsured by enacting SB 2, which is estimated to provide health insurance to over one million uninsured. California unions are committing to protecting SB 2 on behalf of health care that all working people deserve.***
- **Protect state programs to cover the uninsured.** Medi-Cal and Healthy Families provide critical support for low-income Californians. Both programs have seen recent cutbacks because of the budget shortfall, including capped enrollments for Healthy Families. The Federation opposes cutbacks in these programs and supports expanding eligibility for these programs to cover more of the uninsured. We also support access to public health programs for immigrants.
- **Fund public hospitals and community clinics at an appropriate level.** America's health care safety net is currently frayed, as competition with HMOs, growing costs, rising numbers of uninsured and declining Medicare eligibility due to welfare reform are undermining access to care for the poor and uninsured. We call for policy makers to address the viability of the safety net.

Improve health care quality:

- **Improve staffing ratios in health care facilities.** Understaffing is directly tied to higher rates of medical errors and lower quality patient care. Staffing ratios are now in place for licensed nurses, but the current ratios still allow too many patients for each licensed

nurse. Since hospital work is teamwork, requirements must also be put in place to assure appropriate support staff.

- **Train health care workers better.** In an era of nursing shortages, we urge the development of high road partnerships to train more nurses and other health care workers, provide better career ladders, and guarantee better working conditions. This would allow us to pay health care workers more, provide better patient care, and reduce the shortage of skilled and qualified employees. Kaiser's partnership with multiple health care unions is an outstanding example of a high-road partnership that meets the needs of workers, patients, and management.
- **Report health care quality better.** The Federation supports public, mandatory, and industry-wide requirements for health care quality reporting to improve accountability and transparency in the system.

Rein in health care costs:

- **Make prescription drugs more affordable.** The Federation is part of the "OURx Bill of Rights" coalition pushing for more affordable prescription drugs and a fairer prescription drug market. The Federation is sponsoring AB 1960 (Pavley), which brings needed transparency to the "Pharmacy Benefits Management" industry that administers prescription drug benefits for millions of consumers. The Federation is also sponsoring AB 2326 (Corbett), a bill designed to give consumers and purchasers a reliable, unbiased source of information about which medications work best. The Federation supports the reimportation of drugs from Canada, restrictions on drug marketing, direct price controls on pharmaceuticals, and better access to generic drugs.
- **Use union health care dollars wisely.** The Federation supports efforts to pool Taft-Hartley funds and, in conjunction with fund administrators, to ensure that quality is a significant factor in making plan selections. We support efforts to exert labor's influence over the health care purchasing decisions of CalPERS and State Teachers Retirement System. Union families have tremendous purchasing power in the health care marketplace. The Federation supports efforts to use that power aggressively, to promote health plans that are good for us as consumers and as union workers.
- **Improve prescription drug coverage for seniors on Medicare.** The recent Medicare reform legislation was a victory for the pharmaceutical industry, not for seniors. The bill tied the hands of the federal government to negotiate cheaper drug prices for consumers. The bill also does not guarantee affordable drug coverage, and it threatens prescription drug coverage currently held by retirees. The Federation opposes this legislation, and supports the development of an affordable prescription drug benefit program for all seniors.
- **Improve regulation of the health care industry.** The health care industry places industry profits in front of patient care, and patients and health care workers pay the price. The Federation supports regulations in the health care industry that would make the industry more transparent, expand access to care, restrain costs and improve quality.

3 Fair Wages

California suffers a crisis of the working poor. According to the Economic Policy Institute, one third of California workers don't earn enough to make ends meet. The hard-working residents of our state deserve higher wages, better benefits and improved working conditions. The Federation will continue to work on their behalf.

Minimum Wage

All workers deserve a fair minimum wage, but the minimum wage can no longer lift a worker (let alone her family) out of poverty. Although a coalition of unions, community organizations, and religious groups convinced the Industrial Welfare Commission to raise the state minimum wage to \$6.25 in 2001 and \$6.75 in 2002, it still falls far short of what is needed. The current California minimum wage leaves families below the federal poverty line. The declining purchasing power of the minimum wage is a major cause of the wage gap between rich and poor.

We call on the state to raise the minimum wage so that it can actually lift workers out of poverty. The Federation is sponsoring AB 2832 (Lieber), which would increase the minimum wage to \$7.75 over two years, starting in 2005. We also continue to vigorously oppose the never-ending efforts of the California Restaurant Association to amend the law prohibiting tips from being credited against the minimum wage.

Living Wage

We also support living wage ordinances. These laws require employers who receive funds, contracts or tax breaks from government to provide decent pay and benefits to their employees. Living wage campaigns have succeeded in twenty-one California cities, including Los Angeles, San Francisco, San Jose and Oakland. San Diego is currently campaigning for a living wage ordinance. The laws vary widely, with minimum wages ranging from \$8.50 an hour to \$14.75 an hour (without medical coverage).

The recent living wage bill passed by San Francisco stands out for its breadth: it covers a variety of ways that the government interacts with employers, from direct service contracts to leasing agreements and other arrangements. The law guarantees decent wages and benefits for airport employees and human service workers, including homecare workers. Recent analysis by the UC Berkeley Labor Center concludes that over 55,000 workers will see their wages rise by about \$2000 a year, for a \$75 million increase in purchasing power from low-wage San Franciscans.

Ten years after the first living wage ordinance was passed in California, the evidence suggests that these laws can substantially raise pay and benefits, reduce pay inequality and improve services, all at minimal costs.

In 2002 we won a major legislative victory (AB 2509, Goldberg, Koretz), which allowed local jurisdictions to apply living wage standards to all economic development projects they administer, even if the resources came from the state government. The Federation will continue to support living wage laws at the municipal, county and regional level.

We also support the efforts of local unions to use living wages and other area wage standards as bargaining tools. These wage standards are not always adequate to support a family. However, they can create a "floor" from which unions can negotiate for higher wages and benefits. We support unions' efforts to use living wages and area standards as leverage at the bargaining table with employers.

Prevailing Wage

Prevailing wages are at the heart of our state's prosperity. Far more than a slogan, prevailing wage laws are a vital policy tool to improve the economy of the state and the standard of living for working families. The Federation agrees with the State Building and Construction Trades Council (SBCTC) that public funding of construction and

development projects should go to employers who pay prevailing wages to their workers, guarantee health and safety on the job, and provide high quality training and apprenticeship programs. Prevailing wage laws put us on the high road of economic development.

Despite anxiety that prevailing wages would increase the cost of construction, many studies have found just the opposite. Paying prevailing wages often reduces costs by raising productivity, reducing job site injuries, and cutting the need for future maintenance because the original work is higher quality. Employers benefit from better-trained workers when they pay prevailing wages.

Paying prevailing wages and benefits gives working families a way to climb the ladder to economic security. Prevailing wages include health and pension benefits for families who would not otherwise be able to pay for these long-term benefits. It also provides access to state-approved apprenticeship programs that give workers the skills needed for building their careers.

The failure to pay prevailing wages and benefits doesn't save money: it shifts other costs to taxpayers. Workers without health care or pensions end up drawing on public welfare programs. Workplace injuries resulting from poorly trained workers also shift costs to taxpayers and other employers. Indeed, the failure to pay prevailing wages often increases construction costs, reduces tax revenues, forces skilled workers to migrate to other areas and harms the overall economy.

The 2001 session of the California Assembly saw the passage of State Building Trades sponsored SB 975, authored by Senator Richard Alarcón and signed by Governor Davis. SB 975 required that prevailing wages be paid when private projects receive taxpayer dollars. The bill prevents a developer from getting free public benefits on one hand and then paying local workers (taxpayers) the lowest possible wage on the other. We think working families should also share in government-sponsored redevelopment.

Other Building Trades sponsored bills have also successfully protected prevailing wages on public works, and leveled the playing field between union contractors and those that use temporary employees. Two bills signed by Governor Davis in 2002 require school and water districts that use money from school and water bonds to initiate or contract for a labor compliance program. Other bills have prevented contractors from using temporary employees to skirt their workers' comp costs, and required temporary agencies to be licensed by the Contractors' State License Board.

The Federation will continue to support the SBCTC efforts to protect prevailing wages and level the playing field for union contractors in California.

Overtime and Comp Time

The Bush Administration has launched a concerted attack on workers' rights to overtime pay. In 2004, the Department of Labor issued a new set of overtime rules that will make many more workers "exempt" from overtime rights. The overtime rights of workers making as little as \$24,000 a year are now in jeopardy. Up to 2.3 million workers classified as "team leaders," for example, will lose their overtime rights even if they do not directly supervise other employees. Many nursery school teachers will no longer qualify for overtime because the new rules disqualify workers whose jobs require certain educational levels.

The new overtime rules follow an unsuccessful effort by Congressional Republicans to undermine overtime rights through federal legislation. The so-called "Family Time Flexibility Act" would have allowed employers to offer comp time instead of overtime pay. The measure,

stalled in Congress in 2003, offered no assurances that employees would have the right to use this comp time as they saw fit. The bill also would have encouraged employer abuses, such as giving extra hours to workers who accept comp time and denying overtime requests to those who prefer cash.

The Federation opposes any efforts to degrade workers' rights to overtime pay. Overtime pay protects workers from dangerously long shifts. In the current jobs crisis, overtime pay also creates an incentive for employers to hire additional employees rather than piling more hours on fewer workers.

The federal changes to overtime rules will have limited impact in California because California unions have fought for and won stronger wage and hour protections. California unions waged a successful battle to preserve daily overtime pay after the Industrial Welfare Commission rescinded it. We will continue to vigilantly defend the eight-hour day in California. We will also continue to oppose mandatory overtime and support policies that prevent abuse by supervisors and managers.

4

Protecting California Workers

Unfortunately for workers in California, low wages are not accidents or bad luck. They are the result of systematic efforts by employers to reduce costs at the expense of employees. Some businesses cut costs by hiring temporary or part-time workers instead of full-time regular employees. Others go still further, violating wage and labor laws, sometimes hiding from enforcement entirely by slipping into the shadowy world of the underground economy. Though one is legal and the other is not, both contingent labor and the underground economy lower wages and working conditions for workers throughout California.

Contingent Labor

The growth in the contingent workforce is one of the dramatic challenges of the new economy. The Federation believes that all workers deserve basic workplace rights, whether they are temporary workers, part-timers, independent contractors or sub-contracted employees. We oppose efforts of employers to marginalize workers and deny them their rights through forcing them into contingent positions.

California industries of all types have come to rely on contingent workers. The last decade has witnessed an explosion of non-standard work in virtually every sector of the economy: service, farm, garment, construction, entertainment, high-tech, education, health care and other public sector industries. Temporary jobs have grown far faster than the overall number of jobs in the state. Women, people of color, immigrants and young people are disproportionately represented in the contingent workforce.

Employers have converted full-time jobs into contingent work to save on labor costs. Employers hiring independent contractors also avoid costs associated with payroll taxes and workers' compensation insurance. In 2003, over 75,000 California workers were misclassified as independent contractors. The Federation opposes employer attempts to re-classify workers as independent contractors in order to deny benefits.

For workers, however, contingent work means lower wages, fewer benefits, unsafe working conditions and less job security. Contingent workers can expect to earn lower wages than their more securely employed co-workers. They are less likely to receive benefits or pensions. Job insecurity is also a particular problem for contingent workers, who – by the very nature of their employment – are easy to eliminate in an economic downturn. Temporary agencies in the construction industry are also known for poor workplace safety records. No wonder most temporary and part-time workers report that they would prefer to be employed in a full-time and permanent job.

Contingent work also presents new barriers to unionization. Job turnover can be high. Often, the worksite where employees report each day is not the place their paycheck comes from. Some contingent workers aren't even eligible for unionization, because they are technically self-employed. Thus employers may choose contingent arrangements for their workers precisely to thwart unionization efforts.

Yet California unions are fighting back against contingent work. Hundreds of court interpreters in California organized in 2003 after winning legislation that granted them the right to be classified as employees rather than independent contractors. Numerous lawsuits have been filed against Labor Ready, the huge temporary agency infamous for exploiting workers and

undercutting union contractors. And unions have pushed for legislative changes to take away the incentives to hire contingent workers.

We support policies that would eliminate the economic advantage for employers of keeping their workers in a marginal status. In 2002, the State Building and Construction Trades sponsored AB 2816 (Shelley) which made temp agencies and other brokers of contingent labor responsible for paying workers compensation for their employees. Independent contractors should be held to the same standards that apply to standard employees, and employers should pay pro-rated benefits to part-time workers. We also support the right of temporary workers to know how much an employer is paying for their services so they can bargain more effectively for higher wages.

When businesses hire temps and part-timers to save money, they don't eliminate the costs. They merely externalize those costs, passing them on to the state, other employers, private charities or the individual. Contingent workers deserve the same rights as traditional workers, including benefits, pensions, safety net, workplace rights and the right to organize.

The Underground Economy

Hiring a temporary worker instead of a regular employee may deprive a worker of decent wages, health benefits, a pension and union representation, but it is perfectly legal. Other efforts to degrade the quality of work in California are not.

Labor law violations remain widespread in California. In the Los Angeles garment industry, fewer than 40 percent of employers were in compliance with labor laws during the 1990s. A 2002 survey of raisin workers by the California Rural Legal Assistance Foundation found that 28 percent of workers were denied rest breaks, 18 percent were denied meal breaks, and 21 percent were paid with checks that could only be cashed at a specific establishment.

In the construction industry, the underground economy remains a critical problem, resulting in lower wages and appalling safety conditions. Employers who participate in the state's underground economy deal in cash or develop other schemes to evade employment-related taxes and regulations. Although the size of the underground economy is difficult to measure, the Employment Development Department estimates its size as between \$60 and \$140 billion. An estimated two million Californians—15 percent of the total workforce—work in the underground economy.

For workers, the price is high. Many don't earn fair wages or overtime pay. They are forced to work in unsafe work environments. If they are hurt, they can't receive workers compensation. If they lose their jobs, they don't get unemployment insurance. They are the victims of unscrupulous employers who take advantage of workers with few choices, and then intimidate them into silence about these abuses.

Employers who violate labor laws not only exploit workers, they also harm responsible employers and taxpayers as well. The underground economy undercuts those union employers that are meeting their responsibilities to their workers, creating an uneven playing field that favors rogue employers. And when workers in the underground economy lack workers' compensation and unemployment insurance, they must rely on public assistance programs if they are hurt on the job or laid off.

The Federation has fought for stricter enforcement and tougher penalties for scofflaw employers. SB 179 (Alarcon) requires a company that is contracting out certain services

to ensure that the contracts provide funds sufficient to comply with applicable labor laws. SB 796 (Dunn) allows aggrieved workers to sue for civil penalties for violations of the labor code. Both bills were signed by Governor Davis in 2003. The Federation has also sponsored successful legislation to increase labor law violation penalties and protect immigrant workers' rights in the face of a Supreme Court case (Hoffman Plastics) that denies backpay to undocumented immigrants who are victims of unfair labor practices.

The Federation is committed to cracking down on labor law violators. Employers should pay a higher price when they break the law. AB 276 (Koretz) became law in 2003, increasing the penalties for paying unfair wages or for illegally withholding wages. But the penalties remain far too low. Substantial shareholders of a corporation should be held liable for unpaid workers' wages. The state should maintain a public database of labor law violators to bring needed scrutiny to these scofflaw employers. Since employers who violate labor laws are also likely to violate other state laws, we support the requirement that repeat labor law violators be audited by the Franchise Tax Board as a further tool for enforcing labor laws.

Workers in the underground economy are extremely vulnerable. Many employers retaliate against workers who report violations to punish their vigilance and deter other workers. We support legislation to curb retaliatory actions by employer, such as requiring employers to prove they are not retaliating if they fire workers who have filed labor claims. We also call for increased state funding to enforce labor laws. Funding for labor law enforcement has failed to keep pace with the growth in the state's workforce.

The Federation won a landmark piece of legislation in 1999 that guaranteed joint liability for garment manufacturers. That legislation has made employers liable for the wage and hour violations of their subcontractors. We support extending joint liability to all businesses that profit by using middlemen to accomplish work in agricultural, construction and janitorial industries. The Federation also continues to support efforts by the United Farm Workers and California Rural Legal Assistance Foundation to establish that every farm operator is jointly and severally liable for violations of housing, transportation, wage and hour and health and safety laws as they relate to agricultural workers.

Finally, we support all efforts to make enforcement avenues more accessible and responsive to workers. We support the elimination of barriers to collecting due wages after the labor commissioner or the courts pass judgments. We helped pass AB 223 (Diaz) in 2003, making it easier for workers to get due wages. We also believe that enforcement will not be effective unless workers can communicate with public agencies in their own languages. The Federation will continue to work for better resources, including increased bilingual staffing, for labor law enforcement.

A decade ago, the Federation and the SBCTC supported the creation of the Joint Enforcement Strike Force, which was designed to coordinate labor law enforcement efforts among state agencies. Now the state has a new California Labor Agency, which coordinates all labor and employment administrative efforts for the state. The Federation calls on the new Labor Agency to strengthen and better coordinate labor law enforcement in California. We also look forward to working to support the Labor Agency's efforts in this arena.

5 Organizing

While rates of union membership have been declining nationally for decades, California has managed to stop the slide. 16.8 percent of workers in California are union members, compared to 12.9 percent nationally. The percentage of workers belonging to a union has held steady here for over six years, while it has declined dramatically in the rest of the country. 54% of California public employees are union members, compared to just 38% nationwide.

California is also home to more union members than any other state in the country—nearly 2.5 million California workers are union members. The determined and innovative efforts of unions around the state can be credited with this achievement.

We celebrate recent organizing victories and support ongoing efforts. The academic student employees won union representation at all UC campuses in 2000. In 2004, an additional 6,000 academic student employees won recognition at the California State University campuses. These students are employees on whom the university relies, and deserve appropriate compensation and respect.

The Federation also cheers for the recent triumphs of California court interpreters. Until recently, court interpreters were classified as independent contractors and not eligible for basic employee rights, including the right to join a union. They were the only court employees without these rights. But in 2002, SB 371 (Escutia) changed the status of court interpreters from independent contractors to employees. Almost immediately, over half the state's court interpreters joined the Newspaper Guild (CWA), and are now starting to bargain for their first contract. The challenge before them today is to establish good jobs in the industry to make employment attractive to more people, including those who remain independent contractors.

Many other industries are ripe for new organizing, such as child care workers – whose cheap labor subsidizes the employment of millions of California parents, but particularly working women. Child care and homecare workers (mostly women of color) are among the most exploited and necessary workers in the state, and deserve union representation, better wages, benefits and working conditions.

Federal labor law stands in the way of organizing gains in California. Harassment, intimidation, threats and firings are common during an organizing campaign. According to a recent survey, employers illegally fire workers in at least 25 percent of all organizing drives. In nearly 80 percent of drives, management forces workers to attend one-on-one anti-union meetings with their own supervisors. Even when workers overcome these obstacles to organize a union, employers frequently refuse to agree to a first contract. Federal labor law has failed miserably to protect workers' right to choose a union.

The Federation supports comprehensive labor law reforms. Employers that fire workers for union activity, or use other tactics to interfere with workers' free choice, deserve severe and immediate penalties. Banning permanent replacements for strikers is essential for equitable labor relations. We back prompt resolution of representation questions; union certification based upon determination of majority support through card check; arbitration of unresolved first contracts at the request of the union involved; and the prohibition of corporate reshuffling, including double breasting, bankruptcy and ownership changes, which are used to evade contractual rights and end union representation.

A new federal bill—introduced by Senator Edward Kennedy and Representative George Miller—proposes to address some of key shortcomings of federal labor law. The “Employee Free Choice Act” would allow union certification with a majority of signed cards, provide mediation and arbitration for first contract disputes, and establish stronger penalties for violation of employee rights. The Federation is sponsoring a resolution at the California Legislature to build state-level support for this initiative. While the bill points in a promising direction, the current administration has shown little willingness to defend the rights of working people against employer abuses. We call on all elected leaders to support this legislation.

California unions must also continue to pursue state and local level reforms to support organizing. Several recent state laws have supported workers’ rights to organize. The Federation sponsored AB 1889 (Cedillo), which prohibited companies from using state funds to interfere with workers’ right to organize. (Unfortunately, a panel of the Ninth Circuit Court of Appeals recently found this new law to be preempted by federal law.) Governor Davis signed SB 75 (Burton) in 2003, which extends and improves binding arbitration for farmworker labor disputes. The Federation has also supported successful legislation to extend card-check neutrality to public sector employees, including employees in schools, local government agencies, the University of California, and California State University.

Other bills in the last five years have guaranteed that public sector workers pay their fair share of union representation. Legislation passed in 1999 provided a mandatory agency shop in the UC and CSU systems. In 2000, public school employees won the same agency shop protections. SB 739 (Solis) gave local government unions the ability to achieve agency shop agreements through a vote of represented employees when the public agency refuses to agree to them at the bargaining table. SB 2140 (Burton) expanded rights to court employees in 2000. We call for the extension of full collective bargaining rights to all public employees, including the inviolate right to strike and the right to use dues deducted from wages for political purposes.

While we work for stronger labor laws, the Federation also supports new and innovative organizing strategies that many California organizers have adopted to bypass the structures that slow us down. We urge the co-operation of affiliates in multi-union efforts, which can effectively pool resources and eliminate jurisdictional disputes. We support the use of neutrality agreements with employers, which have allowed many unions to achieve card-check recognition rather than relying on the lengthy NLRB election process. Likewise, we continue to support creative organizing tactics like civil disobedience, corporate campaigns, community mobilizations, alliances with community-based organizations, Construction Organizing Member Education and Training (COMET) boycotts, strikes, salting and other forms of direct action to win recognition and contracts.

Economic Development and Public Sector Investment

6 The recession hit California’s budget particularly hard. During the boom years of the nineties, income tax from dot-com businesses and employees poured into Sacramento. When the bubble popped, tax revenues plummeted, resulting in a disastrous budget shortfall.

At the peak of this crisis, California confronted a budget deficit of \$38 billion, a deficit so massive that even the lay-off of every state employee, the closure of every state university and the release of every inmate in our prison system would not have eliminated the deficit.

To try to close the gap between revenue and spending, voters in 2004 approved the

largest state bond offering in U S history: \$15 billion. But even after this massive borrowing, the state will still face a huge budget deficit next year. Independent analysts now give our state the worst credit rating in the nation.

The current budget crisis comes at a time when California had already begun to neglect its public goods. California has fallen from being third in the nation in building roads, bridges, sewers and other infrastructure, to being dead last. We have gone from leading the nation in per pupil spending to trailing all but a few, poor states. We have also seen renewed attempts to degrade public services by contracting out or privatizing the work done by public employees.

The Federation supports major public investment as the cornerstone of sound economic development policy in California. Spending on physical and economic infrastructure creates jobs and improves the overall quality of life for a generation to come. Transportation spending supports our infrastructure and directly generates jobs. Public investment in energy production and supply protects the state's residents from the vagaries of the private market. And investment in our water system protects a resource vital to our economic growth and prosperity. The Federation supports public investment in these resources. We also support attaching high standards to the use of taxpayer dollars for all economic development activities.

The Federation recognizes that significant public investment requires a stable and reliable tax base. We support long-term solutions to the current structural imbalance of the state budget. We support a fair and equitable tax structure that eliminates corporate tax loopholes. We support a more democratic process for raising tax revenues that would eliminate the current two-thirds vote requirement for passing a tax increase. The 2004 defeat of Proposition 56, which would have reduced the vote requirement from two-thirds to 55 percent, illustrates the difficulty we face in building a more fair and stable revenue base.

Finally, we vigorously oppose the degradation of public services through privatization. Contracting out is a way to crush or bypass public sector unions, and it inevitably results in lower-quality, higher costs services delivered with little accountability. In 2002, we won legislation placing limits on how school districts contract out work. We will defend this legislation and continue to work to place similar conditions on contracting out at the city and county level.

Transportation

California cannot prosper without sound public investment in the state's transportation infrastructure. Yet many public officials have failed to show needed support for spending on the state's roads and mass transit systems. We support spending to improve roads and highways, build and improve public transit systems, upgrade bridges, introduce light rail in crowded city centers, modernize buses and trains and keep our ports and waterways ship-shape. We also support the protection of good-quality maritime jobs for American workers along California's coastline.

The Bush administration has severely cut funds for highway building, a shortsighted attempt to save money. The proposed 2005 budget provides only two-thirds of the money needed to maintain our roads, bridges and sewers. But infrastructure spending is the single best vehicle for job creation. Each billion dollars spent on road building creates 42,000 jobs. Reducing highway construction funds will ripple through the economy and be felt in manufacturing, services and elsewhere.

State transportation funds are also under siege. Voters approved Proposition 42 in 2002, an initiative to use the funds from the gasoline sales tax to support road construction. Prop 42 is estimated to generate over \$1 billion and 10,000 additional construction jobs every year. Yet since its passage, numerous attempts have been made to raid Prop 42

funds for other purposes.

Deteriorating roads inevitably produce a deteriorating economy. Highway construction builds the network for businesses to move goods, consumers to shop and employees to get to work. California voters have over and over again voiced support for better investment in transportation—Bay Area voters, for example, agreed on the March 2004 ballot to pay higher bridge tolls in order to support transportation spending. California's highway system was once the envy of the nation – a significant factor in our state's economic success. Only continued investment will keep it that way.

Republicans in Washington have also cut funding for Amtrak and threatened to privatize the air traffic control system. The Federation rejects these ill-advised budget cuts and calls for increased not decreased investment in our transportation infrastructure.

Road building should never trump mass transit. We call for the expansion of subsidized mass transit and the retooling of industry to build more mass transit. Without a car, many workers cannot reach decent jobs. But car ownership can cost well over \$5000 a year, an enormous burden for low-wage workers. The absence of effective mass transit can be the decisive factor in keeping working families poor.

The Federation reiterates its support for the protection of jobs in the maritime industry. The Federation supports statutes that ensure that vessels engaged in the coastwise and international trades are built and crewed by US workers. The Jones Act, the Maritime Security Act, the Passenger Vessel Services Act and US cargo preference laws are key to maintaining the US Merchant Marine.

The maritime laws of the United States should be an aid and not a hindrance to the development of the Merchant Marine. To that end the Federation calls for Congress to review existing tax policies and develop a tax program that will enable the American Merchant Marine to sail competitively in the global economy.

The Federation furthermore condemns the "flag-of-convenience" system in which avaricious shipowners around the world register their vessels in phony flag states to evade labor, safety, environmental and tax laws. This corrupt system has resulted in the global exploitation of seagoing maritime labor.

Water

California should sustain our historic investment in water infrastructure so that farmers, residents and businesses can thrive.

The state constitution protects water as a public trust, meaning that water belongs to the people of our state. Historically, the state and federal government have invested in water infrastructure to ensure universal access to clean and affordable water for residential and industrial use. 80% of people in the state now receive water from a public water system.

But increasingly, water is being viewed by private corporations as a potentially lucrative investment opportunity, jeopardizing access and safety. European multinationals are aggressively pursuing a water privatization agenda, bringing globalization and its effects home to our back yard. The Federation opposes the privatization of water infrastructure, and urges the state to maintain its historic role in protecting water as a public good.

The same companies who seek access to the municipal water system are also close to gaining access to public bond funds. Last year, legislators in Sacramento considered allowing private companies to qualify for public grants under clean water bond measures. This hijacking of public resources would be a historic shift in California's policy of investing in public infrastructure. It would also be deeply ironic, given that private water companies often market themselves to municipalities based on their credit

rating and access to global capital markets. Environmentalists and consumer advocates thwarted this effort in the last legislative session, but we must stand firm to make sure that California uses public funds to build and maintain public infrastructure, not as a giveaway to corporate privateers.

Another form of water privatization occurs when agribusinesses sell water. In Kern County, for example, the state's largest underground storage facility – designed to store water in times of drought or to meet public water needs – is now being used by agribusinesses to sell water to antiunion developers. This frightening state of affairs results from the huge decline in commodity prices on the world market, so farmers find that water is a more lucrative good to trade than crops.

The Federation views water as a public good that must be protected so that it can benefit farmers, businesses and consumers in the state. Seeing it as a tradable commodity, to be bought and sold on a water market, is a dangerous precedent. As the state learned in the energy crisis, the commodification of natural resources can be very dangerous. We call for active stewardship by unions and communities to protect water from speculative money-making interests.

Energy

The utility industry shoulders an obligation to serve the public, not just to make money. Safe, reliable and affordable gas and electricity are essential services, and access to these services must be regarded as a universal right. A stable, organized and well-trained work force is essential to high-quality service. The Federation believes that the California Public Utilities Commission and the state legislature have a continuing responsibility to safeguard the public interest in these essential utility services.

We support an energy policy that puts California workers and consumers first, assuring affordable access by the state's residents and businesses to electric and gas utilities, and guaranteeing fair wages and working conditions for utility workers.

We stand behind the principles of the national Apollo Alliance, a project of international unions, environmentalists and community organizations dedicated to focusing public and private investments on good job creation in renewable energy technologies. The California Apollo Project, led by the Federation, seeks to generate California energy policy and investment initiatives that will create jobs for Californians, generate clean energy with positive environmental impacts in our communities, and help create energy independence for California and the US.

The energy crisis in our state was an object lesson in the dangers of deregulating a vital industry. Out of state generators reaped windfall profits; consumers and workers paid the price. The crisis cost consumers billions of dollars in higher energy bills, jeopardized thousands of jobs, endangered lives with rolling blackouts, scared investors away from California, gave conservative politicians an excuse to trash labor and consumer protections, threatened irreparable harm to the environment and distracted our legislators from other important issues.

The Federation reaffirms its commitment to regulatory mechanisms that protect the public interest from potential abuses by energy service providers and assure safe and reliable power. The following principles are key:

- **Equity:** cost-savings from restructuring must be shared with small users and big users alike, just as regulation must protect the interest of consumers and workers, as well as the needs of large industrial or agricultural consumers. The Federation supports a windfall profits tax on energy generators to discourage generators from gouging consumers and ensure that profits from restructuring would be shared with ratepayers and taxpayers.

- **The jobs of utility workers:** regulation should assure a sufficient and well-trained workforce and cost-effective ways to deliver reliable utility services. All energy service providers overseen by the state should be held to the same high standards for training, safety, skills and compensation that utility workers have won through collective bargaining.

- **Energy independence:** We can no longer depend on out-of-state generators with a strong profit motive but no sense of public interest. In the future, operators must put our state first by being responsive to integrated resource planning: any plants financed by California taxpayers should be dedicated to servicing California residents first.

- **The environment:** We are committed to environmentally safe technology for power generation, for the sake of public health and our world. Wind, solar, biomass and others are friendly to the environment and provide an alternative to our economic dependence on conventional power generators. We support the California Power Authority's \$5 billion investment plan, which moves the state toward renewable energy and efficiency programs. We should give continued priority to renewable sources of energy that are built and operated by a well-trained, unionized workforce.

We can avoid future meltdowns by insuring that bankruptcy protection is part of the utility company's mandate. If California residents are forced to subsidize utility companies, we should receive assets in return. If energy companies go bankrupt, workers must be protected. All collective bargaining agreements and successorship clauses should be recognized.

Energy production can be dangerous, both to workers and neighbors. Safety must be given a high priority. California should regulate plant maintenance procedures to coordinate necessary shutdowns and establish an inspection and enforcement mechanism to assure proper and safe maintenance. Furthermore, any future power plants must meet the same tough permitting process and environmental and labor standards as in the past. The energy crisis should not be an excuse to relax the high standards that California unions and community groups have won over the last half-century.

Finally, like alternative energy, conservation can be a path to greater energy independence, and need not get in the way of growth. We endorse true least-cost energy planning and putting conservation providers on the same footing as power providers. Increased government funding of research on effective energy-conserving technologies, products and services can help reduce our need for energy-generation. Temperature, lighting and ventilation standards can improve energy conservation and prevent indoor air pollution.

Smarter Economic Development

Investment in the state's public sector spurs economic growth for the state. Yet California also spends billions of taxpayer dollars on other types of "economic development" activities that are designed to fuel job creation and economic growth. Much of this spending has occurred on the tax side of the ledger: rather than give money to lure businesses to California, economic development officers have given them tax breaks and tax credits. In 2001 alone, the state spent more than \$5.5 billion on tax credits to businesses.

Too often these funds are not accounted for. And too little attention is paid to whether these funds meet quality job creation and other economic development goals. The Federation believes that economic development spending should target the creation of good-quality jobs and healthier communities.

The Federation believes that work that is funded by taxpayer dollars should meet the

highest standards for decent wages and benefits, safe and healthy workplaces and a voice on the job. We support local efforts to negotiate “community benefits agreements” for redevelopment projects. These agreements demand that developers commit to provide certain community benefits—such as living wages or local hire arrangements—in exchange for receiving public subsidies. We support efforts to attach standards to public funds used for economic development purposes.

The Federation joins the Building Trades in strong support of Project Labor Agreements. PLAs prevent an economic “race to the bottom,” in which businesses compete against each other at the expense of workers and the community. They are particularly important for large-scale public works, which have the potential to raise or lower wages for hundreds or thousands of workers.

PLAs have been used for over sixty years, on public projects like the construction of the Shasta Dam and Los Angeles’ Light Rail System, and private projects at General Motors, Disney and Toyota. The Federation continues to strongly support PLAs as a way to help large public (and private) construction projects go more smoothly, as well as to maintain wage and benefit standards.

Economic development activity should also seek to create healthy communities and “smart growth” development. The Federation supports zoning ordinances that design residential areas close to mass transit, retail establishments and businesses. We should develop our urban areas more densely (in-fill development) rather than turning pristine green hills into faceless suburbs that are miles from a downtown. This development model reduces commute times, sprawl, traffic congestion and air pollution. It preserves open space for recreation, habitat preservation and agriculture. And it reduces economic inequality, because low-wage workers can live where they work: no one need be locked out of a job because of lack of transportation.

Meeting the goals of smarter economic development requires a better accounting of where economic development dollars are spent. The Federation advocates better design, closer scrutiny and comprehensive evaluation of state economic development incentives. We must ensure these programs support California’s economic development goals, that they create real jobs with good wages and benefits for California families.

The Federation supports:

- A unified economic development budget that provides a comprehensive picture of state economic development spending.
- Disclosure of the type and number of full-time jobs created, and the wages and benefits they pay, for any corporations that receive tax breaks designed to stimulate economic development.
- Accessible public information on all other economic development subsidies provided to foster job creation, technology development, a healthy business sector, and a skilled workforce.
- Performance standards for economic development spending, so we can evaluate goals and compare them to outcomes.

Tax Policy

If we want a sound public sector, we need to look at where the money comes from, not just where it goes. In California, while policy makers have been quick to implement budget cuts and loans to address the deficit, they have not taken steps to raise taxes or close corporate tax

loopholes. As a result, the ongoing structural problem in our state budget remains: tax revenues are not adequate to meet the state's spending needs.

The Federation supports a fair and equitable tax policy. Fair taxation has two dimensions. Vertical fairness demands that those with the most money should pay the largest share of the taxes. That means working people will pay a reasonable portion of their income, but those who earn money without working (from capital gains, for example, or business ownership) will also pay a fair share. The greater your income, the more you should pay. This principle – progressive taxation – is the cornerstone of a just tax system. Following its guidance, the state should avoid reliance on sales tax revenues, for example, which come disproportionately from low- and middle-income taxpayers.

Horizontal fairness is crucial too. Taxpayers who are similar should pay similar levels of taxes. When some taxpayers escape taxation through loopholes or other mechanisms, the system is not fair. We call for the legislature to close loopholes that allow some taxpayers to avoid paying their fair share. Uniformity is a hallmark of fairness.

In the past several decades, California's tax system has become increasingly unfair. California families in the bottom three-fifths of the income distribution pay a greater share of their incomes in state and local taxes than the wealthy, with the poorest fifth of non-elderly taxpayers paying the largest share of all.

California lawmakers should preserve and enhance those elements of the state's tax system that are beneficial for working families. We call on lawmakers to:

- Increase the tax rates on the wealthy by adding additional tax brackets.
- Close corporate tax loopholes, including those in current change-of-ownership rules for the re-assessment of commercial and industrial property.
- Broaden the tax base to include Internet sales and selected business and discretionary services.
- Reform the decision-making process for the state budget and tax system to make it more democratic. The Federation supported Proposition 56, the unsuccessful 2004 ballot initiative that would have allowed a state budget or tax increase to pass with 55 percent rather than two-thirds of the vote.
- Demand full disclosure from each business of how much it pays (or doesn't pay) in state taxes.

Education

7 Education is central to the public sector. As an industry, it employs hundreds of thousands of workers statewide. As an investment in the future of our state, nothing is more important. Our state's prosperity was built on a strong educational system, from grade school through higher education, and we must defend this system if California residents, workers, businesses and the economy itself are to thrive. The California Labor Federation stands for full and equal access to all levels of public education for everyone who seeks that education and can benefit from it.

Public Schools

A quality public education system has always been a high priority of the labor movement in California and across the country. Public education is the foundation of a democratic society, because it provides working people with the tools to participate in the political process and advance their interests culturally and economically. We reaffirm our strong opposition to vouchers and other privatization schemes based on the erroneous premise that market competition is the key to educational success.

High quality education requires sufficient funding. The students of our state deserve the finest possible education. They deserve the best teachers, the most up-to-date facilities and resources, and the best-maintained physical plant, in a completely safe and healthy environment.

Students perform best and teachers are most effective in human-scale schools where every student knows each teacher, and teachers know all the students. We need to build seven new classrooms each day just to keep up with the incoming student population. Yet school maintenance, let alone building new schools, lags far behind the need. For the past two decades, per-pupil spending in California ranks near the bottom, and teacher-student ratios are among the highest in the nation. Salaries are inadequate to allow teachers to own homes near the schools where they work. More than half of all new teachers leave teaching within five years.

The Federation supports:

- Raising educator salaries to a level that will attract and retain teachers and support personnel;
- Staffing schools with fully certified instructional personnel;
- Improving state and federal career ladder programs for education personnel;
- Using union labor to build modern, appropriately sized schools.

Our public schools should provide resources for time away from the classroom so educators can share advances in the field. We must fully fund all services for students to achieve their learning potential, including child care, after school sports and cultural programs, health care, counseling, and libraries, on site or in easy reach of the school site. Programs that engage parent volunteers are crucial to the success of public education, and employers should be encouraged to support them. However, volunteers must never become a substitute for the employment of full-time teachers, counselors, paraprofessionals, and classified school employees.

The Federation urges local central labor council COPEs to participate actively in school board elections, monitor and expose candidates of the radical right, ensure that elected officials understand the educational needs of working people, and safeguard the rights of school employees. We support legislation integrating project labor agreements into bond expenditures, so that we build future schools with union labor.

All school employees must have the right to organize and bargain collectively, and all school reform programs should recognize the collective bargaining rights of school personnel. The California Labor Federation firmly opposes any and all public school employment discrimination. We seek further to eradicate forever all barriers of race, ethnicity, gender, gender identity, economic status and geography in order to provide equality of access to education for every resident of the state.

Our system of public education should begin with high-quality early learning programs. The Federation calls for the establishment of universal preschool programs, so that child development and enrichment are available to all. Once it was an innovation to provide public kindergarten for all children. Someday, it will seem just as routine to provide public preschool for all.

In the long run, we support a comprehensive system linking public school with child care. California should provide high quality state-subsidized child care, whose workers are employed in the public school system. This is the best way to assure that working parents have good, affordable child care, and that child care workers receive decent wages, benefits, and access to career ladders.

Labor Education

Labor education is crucial to the future success of the labor movement and to the defense of workers' rights. We endorse expanded teaching and learning at all levels of education about organized labor's contribution to this nation's and state's history, and to the contemporary economy. The Labor Federation supports events and resources related to celebration of California Labor Education Week in April.

The state Board of Education should include labor history in K-8 instructional materials. We also encourage local school districts to incorporate labor history in their instructional materials for grades 9-12. All school-to-career related curricula should include a mandatory workers' rights component. We also support the Cesar Chavez Day of Service and Learning, which enables students to learn about the life and values of the founder of the United Farm Workers, and to learn about farm labor history.

In 2000, the California legislature established a statewide Institute of Labor and Employment, building on the Institutes of Industrial Relations at UC Berkeley and UCLA. This institute has helped focus academic research on issues of concern to unions, to study and find solutions for problems of labor and employment. Governor Schwarzenegger's recent budget proposal unfairly targets the institute alone among all similar programs in UC for elimination. New research about labor and workplace issues is vitally important, and the Federation supports the restoration of funding for the ILE.

Higher Education

We support universal access to public higher education, including community college, the California State University, and the University of California systems. California has traditionally led the way in terms of assuring that everyone who wanted to enroll in higher education could do so. But rising tuition and elimination of classes and programs due to the state budget crisis has limited access for many. We support tuition-free higher education or vast improvements in the financial aid provided.

In recent years, institutions of public higher education have come to rely increasingly on contingent academic labor. Administrators in California's community college, state university, and University of California systems have created an academic underclass: teachers and scholars employed as casual labor, paid less than regular faculty, with fewer benefits. Classified employees are in a similar situation, particularly at community colleges. These practices are designed to save money, but the immediate results are damaging: adjunct teachers have to struggle to earn a living wage, and education suffers when teachers spend less time in the classroom than they do on the highways, shuttling from one campus to another. The Federation calls for the replacement of this casual labor system with full-time employment for academic and classified employees.

Job Training and Workforce Development

A highly skilled, well-trained workforce is a key part of economic development. Without it, businesses will compete on the basis of cheap labor, and wages, benefits and working conditions will suffer. The Federation supports creative partnerships between schools or colleges, businesses, unions and the public sector to expand the skills of California workers.

The Federation's Workforce and Economic Development program assists unions in creating high-skill training programs and high-road partnerships to keep union workers well trained and competitive. We also help affiliates make use of government programs such as the Workforce Investment Act, the Employment Training Panel and other economic development grants.

Some of our affiliates are already leaders in this arena. In San Francisco, HERE Local 2 has developed a comprehensive program to develop skills for workers in the hospitality industry. The negotiated partnership program includes a trilingual training program and aims to provide better jobs for workers, along with high-quality, cost-effective services for member hotels. Also in the Bay Area, the South Bay Labor Council has developed a comprehensive labor-community strategy for upgrading skills and living standards throughout the region, including labor-community alliances and a labor-community leadership education institute. They have participated in workplace modernization strategies and high-skill work systems for local workers.

In Los Angeles, SEIU Local 660 is improving job security for members with retraining for the future while negotiating a no-layoff clause. And at Kaiser Permanente, through a national labor-management partnership, more than two-dozen unions negotiated a first-of-its-kind agreement creating a process to adapt the organization to change, while providing an unprecedented level of employment and income security to workers.

High schools and colleges can help train students to be workers – provided vocational education is related to actual employment and training needs – for high skill, high wage jobs. These programs must consider local economic conditions and be developed in cooperation with the labor movement. The last two years of high school should include transition from school to work as an integral part of the curriculum. Unions should participate fully in planning and implementing local school-to-career programs and curricula to ensure inclusion of strong labor rights components.

Apprenticeship programs are crucial to quality workforce development. For students who don't complete four-year college degree programs, community college- and California Department of Education-based apprenticeship programs can provide an alternative career path.

No educational program comes closer to fulfilling the ideal of training for the job than the apprenticeship programs sponsored by Building and Construction Trades unions. Apprentices learn by working, and they work alongside masters of the craft. Unlike many college and adult education programs that don't really prepare people for a future beyond school, building trades apprentices complete their training programs prepared for real work and ready to be hired in real jobs. Apprenticeship training programs make union workers far more valuable to an employer than their non-union counterparts, and ensure that graduates enjoy appropriate compensation for their high level of skills and productivity. Well-trained graduates thus earn more money, help their employers, and boost the state's economy.

California has over 250 union-sponsored apprenticeship programs. These programs invest nearly \$9,000 a year per student on average. Unions spend \$200 million a year for apprenticeship programs in California. The Federation supports continued state funding

for apprenticeship programs, which have been repeatedly threatened by budget cuts.

We support AB 2837 (Firebaugh), which would limit state funding to apprenticeship programs that actually graduate apprentices. Incredibly, the state spends tens of thousands of dollars a year on programs that don't graduate any apprentices. We should use state resources wisely, to promote those apprenticeship programs that actually contribute to building the skills of individuals and enhancing the California workforce.

Providing Benefits for Injured and Unemployed Workers

8 Workers need protection against unexpected interruptions in their work lives, such as workplace injuries or layoffs. Workers' compensation, disability insurance, and unemployment insurance all provide vital safety nets to working people. The labor movement has fought long and hard to win, maintain, and expand these programs. Workers' compensation and unemployment insurance have both come under recent fire in California, and the Federation has worked to defend workers' rights to decent quality and fair access to these benefits. The Federation will continue to fight to support these programs as a basic component of workers' rights in California.

Workers' Compensation

In 1993, Governor Wilson signed the most sweeping reform of the workers' compensation system in twenty years. Wilson deregulated the workers' comp insurance industry in response to employer complaints about the growing costs of workers' comp insurance. At first glance, the move seemed to have succeeded. Insurance premiums plunged, and employers saved \$15 billion in the first seven years.

Wilson's experiment in deregulation, however, proved too good to be true. In a feverish attempt to expand their market share, workers' comp insurance companies dropped their rates so low in the mid-1990s that they failed to cover the costs of the coverage they were supposed to provide. Over two dozen workers' comp insurance companies went bankrupt and many more had deserted the California market by 2000. The California Insurance Guarantee Association (CIGA), which pays the claims of workers covered by bankrupt companies, was left with the bill for millions of dollars in unpaid claims. The State Fund—intended as the “insurer of last resort”—now provides insurance for over half of the workers' comp market.

After the spate of bankruptcies, California's workers' comp industry consolidated, and those workers' comp insurance companies that remained in the market began to hike their rates. These rate increases—combined with quickly growing medical costs—pushed workers' comp premiums to unprecedented highs during the early 2000s.

In 2003 the employers again cried foul and demanded change in the workers' comp system. The 2003 Legislature passed significant reforms to the workers' comp system in a package that was supported by the Federation. The workers' comp package took real steps to rein in medical costs, creating fee schedules for outpatient surgery centers and pharmaceuticals. The Federation also successfully defended the workers' comp benefit increases that we won in 2002.

Without giving the 2003 reforms a chance to work, however, the Legislature passed a more sweeping overhaul to the workers' comp system in 2004. The Federation took a neutral position on this legislation. The legislation, signed by Governor Schwarzenegger, was a compromise that included both benefits and take-aways for injured workers. The Federation and other unions worked hard to protect the interests of injured workers, and successfully defended key rights such as the workers' ability to

choose their own doctor. The passage of the compromise legislation also kept a draconian, heavily-funded, anti-worker initiative off the November 2004 ballot.

Real workers' comp reform requires the return to a regulated workers' comp insurance industry. The 2004 overhaul of the workers' comp system failed to include any real industry re-regulation. Without this change, employers have no guarantee that cost saving reforms will translate into lower premiums. Workers' compensation has taught us the same lesson as the energy crisis—deregulation is not the answer. The Federation supports re-regulation that would require the Insurance Commissioner to disapprove rates that are either excessively high or low. The Federation also reaffirms its belief that private companies should not profit from work injuries, and we support an exclusive state fund as a long-term goal.

The Federation also supports workers' comp reforms that increase benefit levels and improve access to care. The Federation won a major victory in 2002 with the passage of AB 749 (Calderon). The new legislation, which went into effect on January 1, 2003, increases total workers' compensation benefits by \$2.4 billion over four years. Maximum temporary disability benefits will rise from \$490 per week in 2002 to \$840 in 2005. Minimum and maximum temporary disability benefits were indexed to increases in the state's average weekly wage. Permanent partial disability benefits were also increased for the first time since 1982. The Federation continues to support improvements in the benefit levels and quality of care for injured workers.

A workplace injury can be devastating to a worker. The loss of an arm or leg changes a life forever, and no level of compensation makes up for such a loss. But when health and safety programs fail to prevent injury on the job, workers' compensation is a critical safety net.

Unemployment Insurance

The year 2004 began with California's UI system on the brink of bankruptcy. The state's UI system provides temporary, partial wage benefits for laid-off workers who lose their jobs through no fault of their own. After years of inadequate employer contributions to the UI system, the Trust Fund was unable to meet the needs for workers laid off during the recession. At the beginning of 2004, the UI Trust Fund was forced to borrow from the federal government to pay UI benefits.

The fiscal crisis underscored a structural imbalance: employer contributions into the UI Trust Fund are not adequate to provide decent benefits to unemployed workers. Contributions have failed to keep pace with increased wages and the cost of living in California. In 2003, California employers paid the lowest UI taxes in 50 years when measured as a percentage of payroll. Clearly, the financing of our UI system is outdated, and needs reform.

California must move from the current "pay-as-you-go" system to a "forward-funded" UI system. The current system requires employers to pay higher tax rates when the UI Trust Fund balance falls. This illogical structure charges employers more during economic recessions, but does nothing to prepare for downturns in advance. A "forward-funded" system, in contrast, would allow the Trust Fund to build reserves in times of prosperity so that businesses could avoid higher tax rates in rough times.

Re-financing the UI system must also include an increase in the taxable wage base. Federal law requires that employers pay UI taxes on the first \$7,000 of wages at a minimum. While at least forty other states have adopted higher levels, California has remained at the federal minimum for taxable wage base since 1983.

In 2001, California workers won a major victory when the Governor signed a bill increasing UI benefits for the first time since 1989. SB 40 (Alarcon) raised the maximum weekly benefit from \$230 per week to \$330 per week in 2002, rising to \$450 in 2005. The

bill also extended UI benefits to part-time workers, and required benefits to replace 50 percent of wages, up from 45 percent. UI benefits are moving closer to the national average in terms of wage replacement, but still provide a modest level of benefits given the high cost of living in California. Employer organizations are actively working to roll back the benefit increases that unemployed workers achieved under SB 40.

The Federation supports better UI benefits for laid-off workers. California should join the thirty-seven states whose maximum weekly benefits are indexed to the average weekly wage. The Federation also supports extended UI benefits at the federal level, an issue that Congress has been slow to support. California should also create a dependent's allowance that would supplement weekly unemployment benefits for claimants with a dependent child.

The Federation also supports expanded eligibility standards for UI recipients. Fewer than half of the jobless in California actually receive unemployment benefits because of high earning requirements and delays in counting earnings toward eligibility. The Federation supports an alternative base period, which would allow workers to include their most recent quarter of earnings toward UI eligibility. People also deserve unemployment benefits if they leave their place of work because of an inability to obtain child care, or mandatory overtime.

The Federation also supports measures to punish employers that attempt to maneuver their way out of paying UI taxes. Employers that form a shell corporation to qualify for a lower tax rate—a practice known as “SUTA dumping”—should face stricter penalties for these actions.

State Disability Insurance

California's State Disability Insurance Program (SDI) was set up to compensate for wage loss when individuals are unemployed because of illness or injury that is not job-related. California is one of five states with this special type of disability program.

The Federation supports fair benefit levels for SDI recipients. The Federation passed legislation in 1999 that pegged SDI to workers' compensation benefits. The rationale is simple: employees who cannot work deserve equivalent benefits, whether they become disabled on or off the job. This reform immediately increased SDI, which had lagged behind workers' compensation benefit levels for years.

Assembly Bill 749 (Calderon) increased maximum weekly workers' compensation benefits significantly over several years. Maximum weekly disability benefits will now rise with those increases as well.

The Federation believes that all workers who have paid into the disability fund, regardless of their citizenship, should be entitled to receive SDI. We support the inclusion of public sector workers into the SDI program. We also support the new Paid Family Leave program as part of the state SDI program. California's Paid Family Leave program is the first in the country to provide paid benefits to workers who take time off to care for a new child or sick family member.

The SDI system allows employers to substitute their own private insurance plan for the state-administered system and allows self-employed individuals to apply for their own disability insurance coverage. The Federation opposes the proliferation of voluntary disability plans that weaken the overall state plan. When PG&E went bankrupt, its voluntary plan ran out of funds. Legislation was required (SB 467, Scott) to provide disability insurance benefits for disabled PG&E employees and others in a similar situation.

Workplace Health and Safety

In January of 2004, heavy machinery crushed the ankle of a Wal-Mart employee working the night shift in a warehouse. He couldn't leave to seek medical help because he and the other employees were locked in, and none of them had the key. Episodes like this recall the Triangle Shirtwaist Fire, which highlighted the inhumane conditions of the industrial workplace and invigorated the U.S. labor movement almost a century ago. Today, they are all-too-common examples of the importance of workplace health and safety.

Even more important than decent workers' compensation is preventing workplace injuries before they occur. The Federation supports safe and healthy workplaces in California.

Cal-OSHA is the backbone of workplace health and safety in California. 16 million California workers rely on the health and safety standards established by the Cal-OSHA Standards Board and enforced by Cal-OSHA. Recent reports indicate that Cal-OSHA could be more responsive to dangerous worksites. We supported AB 2837 (Koretz), which will help Cal-OSHA investigate deaths on the job more quickly and effectively. The bill will also increase the amount employers are fined if they fail to notify the agency of a death on the job. We will support other legislation that makes Cal-OSHA more effective at protecting workers.

The workplace is a particularly dangerous place for immigrants. The jobs that lure Mexican workers to the United States are killing them in a worsening epidemic that is now claiming a victim a day. These accidental deaths are almost always preventable and often gruesome: workers are impaled, shredded in machinery, buried alive. Some are 15 years old. Mexican death rates are rising even as the U.S. workplace grows safer overall. In the mid-1990s, Mexicans were about 30 percent more likely to die than native-born workers; now they are about 80 percent more likely.

We support increased bilingual staffing at Cal-OSHA to best meet the needs of workers who speak limited English. Cal-OSHA must increase the availability of bilingual inspectors or at least provide interpretation services in order to deal with the increasing proportion of deaths and injuries among immigrant workers.

Immigrants face many workplace hazards that could hurt them, even if they aren't fatal. California banned the short-handled hoe in 1975 to prevent debilitating back injuries that can result from leaning over to hoe weeds for 8 or more hours a day. But many farmers now require workers to pull weeds by hand instead, which is just as hard on the back ... if not worse. The Federation supports a Cal-OSHA Standards Board regulation that would prohibit hand weeding except when no reasonable alternative exists.

The Cal-OSHA Standards Board needs reform. The members of the board are appointed by the Governor and are not subject to Senate confirmation. We support legislation to ensure a balanced representation on the board by requiring Senate confirmation of members and prohibiting members whose terms have expired from continuing to serve on the Board. Although similar bills were vetoed in the past – such as SB 1591 (Burton) in 2002 or AB 643 (Mullin) in 2003 – we continue to believe that the Senate should have the authority to appoint when vacancies remain unfilled.

There will never be enough Cal-OSHA inspectors to go around. The most effective way to protect workers is for those workers to be actively involved in the health and safety programs of their employers. Too often employers want no worker participation beyond following the rules, or they want participation only on the boss's terms. We believe union stewards and activists should have the knowledge, confidence and resources to

act on behalf of union members at their worksite and actively engage their employer to improve working conditions. We support programs that help workers sharpen their skills in improving workplace safety and health.

We will continue our efforts to win strong ergonomics standards at both the national and state levels. After 10 years of work by federal agencies, the Bush Administration has gutted all efforts to develop standards that would prevent ergonomic injuries. California has adopted a standard, but it is too narrow to be useful for workers. The Federation will again petition the Cal-OSHA Standards Board to strengthen our state ergonomics standard.

10

Working Families

Union members are more than just workers. We are also family members, consumers and neighbors. The labor movement defends the rights of working people in different areas of our lives, not just the workplace. The Federation seeks to advance policies that help workers balance work and family lives. We support consumer rights to product safety, financial privacy, and regulation of public goods. And we support the right to affordable housing with protections against unfair evictions and discrimination.

Family-Friendly Policies

California workers have the right to both a job *and* a family. But too often, workers must choose between the demands of employers and the needs of their family. The Federation supports family-friendly workplaces. We believe working families have the right to paid family leave, high-quality and affordable child care and elder care, and working schedules that accommodate family life.

In 2002, Governor Davis signed into law a landmark bill providing paid family leave for California workers. With this Federation-sponsored legislation, California became the first state in the nation to guarantee that workers could take up to six weeks of paid leave each year to care for a new child (whether through birth, adoption or foster care) or a seriously ill family member. SB 1661 (Kuehl) helps employees avoid the devastating choice between job and baby – something guaranteed in every virtually industrialized country in the world, though not the United States. Because the benefits are employee-funded through the State Disability Insurance Program, paid family leave won't cost businesses a dime. Nevertheless, employer associations in California have vigorously opposed the program and continue to look for ways to weaken or repeal it.

The Federation supports other policies to make work and family easier to balance. We supported a law allowing families to use sick leave to care for their ill children. We supported legislation providing all working mothers with reasonable break time and accommodations to pump breast milk. We also support expanding the Family Medical Leave Act to all workplaces with 20 or more employees, and to include domestic partners and adult children. FMLA should also provide time off work for medical appointments and school activities.

We endorse a broad definition of what constitutes a family. Family should include domestic partners, grandparents, in-laws, step-parents and step-children, foster children and siblings among the protected relationships. In 2001, we proudly supported domestic partnership legislation.

Family-friendly policies are not luxuries. They are basic rights that allow women to participate equally in the workforce, and make employment more consistent with our obligations to our loved ones. Yet many employer associations are unwavering in their staunch opposition to these policies. We must remain ever diligent in protecting our

rights to balance our work and family lives.

Consumer Protection

The Federation reaffirms its traditional support for consumer rights. We pledge our best efforts to maintain and expand the rights of consumers, support appropriate staffing and budgets for consumer agencies, and seek assurance that agencies will act with independence and integrity to advance the consumer's interest. Consumers are workers, too, and unions should fight for their protection whether they are making products or buying and using them.

This year, consumers and workers face an attack on our access to the civil justice system. Car dealers, HMOs and other corporate interests have placed an initiative on the November 2004 ballot that would make it difficult for consumer groups, environmental organizations and labor unions to file cases under the Unfair Competition Law (Business and Professions Code Section 17200). The California Labor Federation opposes the anti-17200 initiative and will work with our allies to defeat it at the polls.

We oppose "regulatory relief" for business that undermines product safety, weakens consumers' rights to full and accurate product information, creates financial harm to consumers or reduces penalties for deceptive practices. The free market will not ensure consumer protection without government intervention. Moves to relax consumer product safety requirements and other consumer protections are greedy attempts to raise business profits at the direct expense of the consumers.

In the recent legislative session, consumer protection advocates won some important victories. California enacted the nation's strongest financial privacy protection law. The passage of SB1 (Speier), which takes effect this year, means that banks, brokerages and insurance companies will have to be more forthright in telling consumers whether they sell or share your account balances, spending patterns, investments or other data you may have assumed was confidential. It will also require them to get your permission before sharing such information with third parties.

Other legislation curbed corporate abuse of anti-SLAPP suits (strategic lawsuits against public participation). Secrecy in settlement of elder abuse cases was prohibited (AB 634, Steinberg). And a Federation-sponsored bill now prevents employers from cashing in on their employees' deaths with the purchase of "dead peasants insurance" (AB 226, Vargas/Koretz).

The Federation supports the regulation of goods when necessary to protect consumer interests. We have learned major lessons from the failed deregulation of PG&E. The Federation opposes deregulation of public utilities: employees and consumers suffer when natural monopolies are turned over to the competitive profiteering of the private sector. We call for reregulation of the utility industry and support the establishment of a public power authority, under union conditions, to supplant private producers and transmitters of electricity. We also urge legislators to stop the deregulation of long distance telecommunications and regulate the cellular phone industry.

The Federation also supports efforts to:

- **Prohibit the shipment of sensitive financial and health information for processing offshore.** SB 1492 (Dunn) would require all privacy-related work to be done within the United States, where consumers and shareholders have legal protections and recourse.
- **Protect employees from paying charges to cash paychecks.** SB 1917 (Banking Committee) would prohibit a bank from charging an employee, who does not have an account at the bank, for cashing a paycheck drawn on the bank.

- **Abolish false and misleading advertising and require food labels to show ingredients, nutritional values, expiration dates, country of origin, durability and item pricing.** We support efforts to label genetically modified organisms in food and educate the public about the risks.
- **Democratize the media.** As the concentration of the media proceeds ever more rapidly, it is increasingly important to support public and community alternatives to the press and to regulate commercial media.
- **Restrict secret settlements in product defect or toxic contamination lawsuits.** Currently, information discovered in pre-trial procedures regarding dangerous products is sealed as a condition of out of court settlement and the business continues selling the unsafe product while the body count mounts.
- **Encourage the purchase of union-made domestic goods and require and enforce labeling of goods with their places of origin.** We oppose the weakening of the criteria for Made in USA labeling.

Affordable Housing

California's housing crunch has become a crisis. In virtually every corner of the state, the income needed to buy a median priced home now exceeds the average income in that area. Overall, just 23% of California families can afford to buy a median-priced house. The California Association of realtors expects housing prices to rise by another 13% this year.

Renting is even less affordable. Despite a slump in the rental real estate market, California remains one of the least affordable states in the nation for renters. In California, about half of renters pay more than 30% of their wages on rent. Poor families pay even more.

No surprise, then, that more than 360,000 Californians are homeless. 80,000 to 95,000 of the homeless are children, and the percentage of homeless kids in the state today is higher than any time since the Great Depression.

An increasing number of the homeless are working poor people who have jobs but no shelter. Even workers earning a modest wage can experience great difficulty finding affordable housing in some areas.

The roots of the housing crisis are multiple and complex. Proposition 13 limited property tax revenues, pushing local and state government to turn their fiscal eye to sales tax revenue. Retail construction became more profitable than housing construction. In the late 1980s, changes in the tax code made investments in rental housing less profitable. A further change in federal law in 1998 began a dramatic erosion of Section 8 housing and public housing. It opened the way for people with higher incomes to qualify for public and affordable housing, and allowed a nationwide reduction in the proportion of homes that must be constructed as affordable. For a variety of reasons, housing production declined throughout the 1990s.

But the short answer is simple: California isn't building enough homes to meet demand. New jobs outnumber new homes at a rate of 3 to 1. California needs more than 200,000 new housing units each year, yet builds about half that number. The vast majority of new units are sold, leaving rental housing in an even greater deficit each year and driving up rents. Affordable housing and multifamily dwellings are particularly scarce, a shortage which hurts poor and low-income families worst of all.

The problem is not going away, but fortunately, it isn't being ignored, either. In 2000-2001, Sacramento lawmakers carved out the largest share of the budget for affordable housing in state history. Two measures provided a \$35 million increase in the Low Income Housing Tax Credit,

doubling the size of the program and indexing it to inflation. Since then, unfortunately, the budget crisis has dramatically reduced available funding, though the need is greater than ever. In November 2002, voters approved Prop. 46, which earmarked \$2.1 billion for housing programs, including rental housing, emergency shelters, farmworker housing and incentives to local government to approve affordable housing developments. We urge legislators to maintain their commitment on this serious issue.

Housing must be built with union labor. Governor Davis signed legislation in 2001 applying prevailing wage rates to all government subsidized housing construction. We believe that the women and men who build affordable houses deserve a living wage, and we support this bill.

We also support the following policies:

- **Revive rent control.** In California, rent control laws are weakening. With the exception of Oakland's Just Cause eviction victory, rent control ordinances are eroding under pressure from property owners seeking more control over their properties. We support local efforts to restore rent control. We also support legislation to provide just cause eviction, longer eviction notice requirements, and more regulation of landlord use and return of renter security deposits.

- **Increase state and federal funding for low-income housing** through housing bonds, long term funding for the California Housing Trust Fund, and other methods.

- **Prohibit discrimination in housing** against single parent households, students, families with children, the elderly, minorities, and people with disabilities.

- **PURSUE HIGH-ROAD HOUSING PARTNERSHIPS.** UNION CONSTRUCTION WORKERS HAVE TEAMED UP WITH AFFORDABLE HOUSING ADVOCATES TO BUILD NEARLY A THOUSAND UNITS OF AFFORDABLE HOUSING IN CALIFORNIA IN THE LAST DECADE. THE AFL-CIO'S HOUSING INVESTMENT TRUST IS A SUCCESSFUL PARTNERSHIP OF UNIONS, GOVERNMENT AND PRIVATE CONTRACTORS. IT REQUIRES THE PAYMENT OF PREVAILING WAGES SO THAT THOSE PEOPLE WHO BUILD THE HOUSES CAN ACTUALLY AFFORD TO LIVE IN THEM. IN THE LAST TEN YEAR, THE TRUST HAS PROVIDED OVER \$128 MILLION OF FUNDING FOR HOUSING IN CALIFORNIA. THIS IS A MODEL HIGH-ROAD ECONOMIC PROJECT: CREATING HOUSING THAT WORKING PEOPLE CAN BUY OR RENT, WHILE CREATING HIGH-QUALITY JOBS FOR WORKERS.

11

Civil Rights and Liberties

The Bush administration has used the war against terror as a cover for attacking civil rights and undermining civil liberties. But the rights on which our nation was founded are as important in times of war as in times of peace. The Federation stands with people of color, gays

and lesbians, the elderly, women, immigrants and other persecuted groups and calls for an end to discrimination.

The labor movement was built by people outside the mainstream of US society. In order to deepen our commitment to the struggles of marginalized communities, we support the affinity groups that represent the voices of particular constituencies of the labor movement. The A. Philip Randolph Institute, the Asian Pacific American Labor Alliance, the Coalition of Black Trade Unionists, the Coalition of Labor Union Women, Labor Council for Latin American Advancement and Pride At Work have a vital role in providing support, solidarity and advocacy for people who have always been among labor's rank and file ... but not frequently enough among the leadership.

We support full economic, social and political justice for all people, whatever their race, color, creed, ethnicity, national origin, sex, sexual orientation, gender identity, age, or physical disability. Despite the need for heightened security measures, we should protect those fundamental rights as vigilantly as ever.

The Federation is deeply troubled by Attorney General John Ashcroft's willingness to suspend basic liberties in times of international turmoil. We are alarmed that the Supreme Court under Chief Justice William Rehnquist seems likely to allow civil liberties to be restricted in the name of national security. We are concerned that the new Office of Homeland Security could be used to bypass constitutional restrictions on domestic law enforcement and to degrade workers' rights to union representation. And we are anxious that the anti-terrorism legislation passed by Congress jeopardizes many basic freedoms that we have fought long and hard to win. We oppose the illegal detention of prisoners of war at Guantanamo, a clear violation of international law as well as human rights.

In this historical moment, the labor movement must stand with civil libertarians to protect the rights of immigrants, minorities and others who might be scapegoated. We must continue to defend freedom of assembly, freedom of speech and freedom of information. We can be safe *and* free.

We oppose hate crimes more resolutely than ever. Legislation banning hate crimes should be expanded, and perpetrators be punished to the full extent of the law. We call for the active prosecution of racist and far-right organizations and militias.

The Federation supports workers' rights in the workplace. Though new technologies are providing sophisticated ways for employers to monitor their employees, we believe employees should be able to expect privacy in the workplace. Routine drug testing, though common, is invasive, unfair and often inaccurate. Genetic testing of potential employees raises many concerns and should be outlawed. Nor should employers be able to read employees' email or monitor their Internet usage. We support legislation (SB 1841, Bowen) that would protect workers' privacy by prohibiting the electronic monitoring of employee correspondence.

In the last session, a Federation-sponsored bill (AB 76, Corbett) made employers responsible for preventing workplace harassment based on a worker's race, religion, color, disability, sex, age, or sexual orientation.

In recent years there have been efforts in the workplace to require workers to waive fundamental rights and discrimination protections without knowing the potential ramifications of such waivers. We oppose coerced arbitration agreements. The Federation will continue to support efforts to ensure that employees are not coerced into waiving their right to pursue discrimination claims or jury trials.

We support relaxation of the "Three Strikes, You're Out" law. After ten years, "Three Strikes" has filled California's jails with petty criminals and had little effect on the level of violence in our community.

Immigrants

Without immigrant labor, California's economy would grind to a halt. Immigrants make up 49% of our state's janitors, 58% of child care workers, 60% of electronics assemblers, 64% of construction workers, 76% of domestic workers and fully 91% of farm workers. They are central to our state's economy and the labor movement.

In the last legislative session, the Federation helped pass legislation (AB 60, Cedillo) which granted immigrants the right to a driver's license, if they had initiated processes for legal immigration status. Previous license requirements discriminated against immigrants, endangered the public safety, and frightened immigrants away from the

Department of Motor Vehicles. The bill would have allowed immigrants to get insurance, an important step for safe roads and trained drivers. Unfortunately, the bill was overturned by the Legislature after Governor Schwarzenegger made its repeal a key provision of his campaign, and a repeal initiative was poised for the March 2004 ballot.

While the Federation supports efforts to legalize undocumented residents, we reject President Bush's cynical proposal for immigration reform, which would create a permanent underclass of workers unable to participate fully in American democracy. For US corporations, the president's proposal would provide a steady stream of vulnerable workers. For immigrants, the plan would deepen the potential for discrimination, exploitation and abuse. For non-immigrant workers, the expanded "guest worker" program would lower wages and standards throughout the economy.

What we need instead is a saner immigration policy that allows people to seek work in the US, but doesn't tie their residence status to their employment.

California unions have a history of standing with immigrants. In 1994, we campaigned vigorously against Proposition 187, which unfairly and falsely blamed immigrants for all the budgetary and economic woes that face the state. In 1998, our unions campaigned against Proposition 227, which sought to make it more difficult for immigrant children to learn English and receive a quality education. We fought anti-immigrant provisions in federal welfare reform legislation and we opposed the anti-immigrant backlash that followed the World Trade Center bombing. We will continue to uphold the rights of immigrants.

The war on terrorism has been accompanied by an upsurge in anti-immigrant rhetoric, scapegoating and violence. The Federation strongly opposes such immigrant-bashing. Even more worrisome is government discrimination against immigrants. The Federation laments the horror stories of indefinite secret detention and deportation of non-citizens. Indeed, John Ashcroft's USA-PATRIOT Act permits both actions in the name of fighting terrorism. We oppose the anti-immigrant provisions of the USA-PATRIOT Act.

In the wake of September 11, many legal workers were excluded from their jobs because they were not citizens. We oppose the citizenship requirement for airport screeners, which violates both the rights of workers and the constitution. We also lament that national security has been invoked to justify increased worksite raids and increased enforcement of document fraud. The war on terrorism should not be a pretext for anti-immigrant firings.

Immigrant workers have been at the forefront of organizing campaigns in recent years, including janitors, hotel and restaurant workers, carpenters, farm workers, machinists, manufacturing and food processing workers, garment workers and health care workers. In surveys and on-the-ground experience, immigrants are more pro-union than native-born workers. We support initiatives targeted at organizing immigrant workers. When immigrant workers unionize, form new unions and revitalize others, all California workers benefit.

The flip-side of more active immigrant organizing is the use of immigration status to intimidate workers. California unions oppose the cynical willingness of employers to turn their workers over to the INS rather than let them join a union. During organizing drives, strikes and other periods of union activity, the INS must not intervene to conduct raids, document checks or other acts which make it impossible for workers to exercise their union rights. Immigration laws should be enforced at the border, not in the workplace.

All workers, regardless of immigration status, have the right to form unions; file complaints against illegal and unfair treatment without fear of reprisal; receive disability insurance and workers' compensation benefits; and enjoy the same remedies under

labor law as all other workers. It is unacceptable for employers to retaliate against immigrant workers for asserting fundamental workplace rights.

The Federation opposes the Supreme Court's 2002 decision in Hoffman Plastic Compounds, Inc. vs. NLRB denying backpay to undocumented immigrants who are victims of unfair labor practices. The decision allows unscrupulous employers to hire undocumented workers, intimidate and exploit them, retaliate against them or fire them, and face no penalties. Congress must overturn the Hoffman decision and send a strong message to employers that violating labor laws doesn't pay.

Absent congressional action, we support legislative efforts to guarantee that California vigorously enforces its labor laws, regardless of a worker's immigration status. The Federation sponsored SB 1818 (Romero), signed in 2002, to protect the rights of immigrants in this state. The bill declared that all protections, rights, and remedies available under state law, except as prohibited by federal law, are available to individuals in California regardless of immigration status.

Workers also deserve the right to speak their native language at worksite. This basic right is often a matter of life or death. Recent evidence suggests that deaths and injuries on the job are increasing for just one group of workers: those with limited or no English. The Federation supports language access to public services for all workers.

The Federation opposes employer sanctions, which encourage employers to discriminate against any worker who looks or sounds foreign. Employer sanctions also provide a weapon to threaten immigrant workers who organize unions. We applaud the national AFL-CIO for its 2000 resolution calling for the repeal of employer sanctions.

People of Color

California is one of the most diverse states in the nation. The Federation calls on affiliates to make a renewed effort to organize people of color. To succeed, the labor movement must increase the participation and leadership of people of color at all levels of union activity and office, especially elected officers.

The Federation supports affirmative action. In 1996, we opposed Proposition 209, which outlawed affirmative action in education, government contracting, and government hiring. We will continue to support efforts to reverse the damage this proposition has wrought and restore affirmative action programs wherever possible.

In 2003, in coalition with allies throughout the state, we successfully defeated Prop. 54, the so-called Racial Privacy Initiative, which would have prevented the use of government funds to collect ethnic data. Without data collection, the state would be unable to address disparities by race or ethnicity in discrimination and hate crimes, health care and disease patterns, educational resources and academic achievement, or law enforcement. This measure, disguised as a policy promoting fairness and a color-blind society, would have prevented California from taking steps to challenge racism. Its defeat is a victory for the people of our state.

Jobs that are predominantly held by women and people of color are generally underpaid when compared to other jobs of comparable skill, effort and responsibility. To address this problem, we urge all affiliates to work for pay equity.

We oppose racial profiling by law enforcement.

Gay, Lesbian, Bisexual and Transgender Community

Gay, lesbian, bisexual, and transgender workers and citizens deserve protection from discrimination. There is no place in this country for prejudice against individuals because of sexual preference or orientation. In 39 states in this country it is still legal for

lesbians, gays, bisexuals and transgender workers to be fired based on their sexual preference or gender identity. The Federation calls for the adoption of the Employment Non-Discrimination Act.

We were proud supporters of Domestic Partner legislation in California, which extended more rights for domestic partners. We oppose President Bush's efforts to push a constitutional amendment banning gay marriage. This change would be a serious abuse of the constitution to promote an intolerant political agenda.

We support legislation guaranteeing the civil rights of persons who have tested HIV positive. We oppose discrimination against HIV-positive people in employment, housing, credit, public accommodations, public service, and immigration.

Seniors

Discrimination based on age is equally unacceptable. A generation ago, most workers spent their entire careers at a single place of work. Employers who hired workers for life usually provided pensions and retiree health benefits.

Today, as workers shift from one job to another, and corporate cost-cutting has whittled employee benefits to the minimum, retiree benefits and pensions often seem like luxuries from a by-gone era. But seniors need health care and an income as much as they ever did, unless they are to slide into poverty after retirement. We believe all retirees have the right to pensions, health care and high quality services.

Recent court rulings have made it easier for employers to deny medical benefits to older workers when they become eligible for Medicare. Unlike the courts, we consider this age discrimination and oppose it wholeheartedly. Older employees deserve the same benefits as everyone else.

Health care for seniors is particularly important because Medicare is increasingly jeopardized. In November 2003, Congress passed a Medicare prescription drug bill that threatens the health benefits for 35 million seniors and people with disabilities. The new bill does nothing to control drug prices and was written to benefit big drug companies, not consumers. Under the new bill, seniors and people with disabilities face a huge gap in coverage: They must pay out-of-pocket expenses between \$2,251 and \$5,100. The Federation opposes this legislation and calls for a complete overhaul that puts the needs of seniors first.

We are also concerned with threats to social security. Social Security is America's most important family-protection program. It spans class, race, gender, income and generations. Congressional threats to privatize Social Security would replace guaranteed benefits with benefits dependent on workers' luck or skill as investors ... and the ups and downs of the stock market. It would also be hugely expensive – with lower income workers paying the cost of the new system.

Senior union members and retirees are among the labor movement's greatest assets. We welcome their knowledge, their experience, and their wisdom. We support their active involvement in senior union member organizations such as the newly created Alliance for Retired Americans. We will continue to pursue a senior action program to organize retired workers on issues reflecting the concerns of the elderly.

Youth

Young people need protection from the inequities of the workplace and the criminal justice system. Our prison industrial complex is overflowing with young offenders. We oppose laws like Proposition 21 that impose harsh sentences on juveniles convicted of

crimes, increase the range of circumstances under which juveniles are treated as adults, and establish stiffer punishments for gang-related offenses. Youth deserve more opportunities for advancement in our society, not tougher laws that deny them economic opportunity and send them on a downward spiral.

People with Disabilities

The Federation supported the federal Americans with Disabilities Act (ADA), however, we are now concerned about recent narrow judicial interpretations of the Act. We believe that the ADA provides a floor and not a ceiling of protection to Californians with disabilities. We support efforts to ensure that physical disability will be determined without regard to mitigating measures and efforts to limit employer's ability to raise job-related issues when inquiring prospective employees regarding possible disabilities. We will work to preserve California laws protecting people with disabilities which are stronger than federal law.

Women

The California Labor Federation supports women's struggle for equality at work and at home, in our unions and in our communities. Despite centuries of struggle, women still face discrimination, lower pay, and lost opportunities.

Across the board, women earn less than men. The jobs in which women predominate pay less than traditionally male jobs. But even when women work the same jobs as men, they take home less pay. Full-time working women earn 76 cents for every dollar that men earn. This is true for women lawyers, carpenters and secretaries. It is worst for women of color, whose wages amount to just 64 cents on the dollar compared to men overall.

Paying women less than men in comparable jobs costs California working families \$21.8 billion every year. The Federation urges all affiliates to work for pay equity to raise the pay of traditionally underpaid women's and minority occupations and end unjust wage disparities. We support equal pay for work of comparable value. AB 2317 (Oropeza) seeks to guarantee pay equity by allowing workers who are victims of pay discrimination to sue for up to three times their lost wages and benefits.

Sexual harassment and sexual abuse of women workers contribute to keeping women from succeeding on the job. Unions must defend women workers through tough legislation and the protection of union contracts. We must also educate our members to help stop this problem. AB 76 (Corbett), which became law in 2003, ensures that employees are protected against sexual harassment, be it from their employer, co-worker, customer, client, vendor or others.

The Federation supports improved opportunities for women in employment and promotion. We support women's access to the full range of reproductive and family planning services. In light of increasing attacks on women's reproductive rights, we urge the AFL-CIO to reconsider its position of neutrality on the issue. We also believe that equality will remain a distant dream as long as women are so dramatically underrepresented in public office. We support efforts to expand women's representation in elected office.

The best cure for women in low-wage positions is joining a union. Women who join unions earn 40% more than their nonunion counterparts. Women of color gain even more by joining a union. Union membership also helps reduce the wage gap: union women earn 83% of what union men earn. The Federation continues to work towards the day when union women earn as much as their brothers.

Unions today realize that women are their best bet for organizing. Eighty percent of newly organized union members are women. In 1962, women accounted for 19% of union membership. Forty years later, that percentage has doubled: women today make up about 40% of union membership. Nonunion women are consistently more pro-union than their male co-workers.

We urge all affiliates to work hard to place women in non-traditional jobs, particularly the higher-paying occupations where they are currently underrepresented. Aggressive outreach for apprenticeship programs and affirmative action plans can both accomplish this goal.

Women are an integral part of the labor movement. We urge affiliates to increase efforts to organize employees in clerical, service, food processing, electronics, garment and other industries where women predominate, and to bring into the collective bargaining process the issues of pay equity, child care, family leave, flexible work hours and expanded sick leave. Organizing child care workers, combined with subsidized quality child care, is one of the great challenges for the labor movement and for working women.

We also call on men in the labor movement to recognize that these issues are not “women’s issues” alone. When women face wage inequity, sexual harassment or discrimination at the workplace, men are also affected. Child care, family leave, and flexible work hours are often as much a concern for working men as they are for working women. We recognize that most “women’s issues” are issues for all working people.

The AFL-CIO is the largest women’s organization in the country. But to succeed in organizing women, the labor movement must encourage the participation and leadership of women at all levels of union activity and office. It is high time that women were well-represented in the upper echelons of our unions, labor councils, and the Federation.

12

Trade Policy

The Federation supports international trade and rejects protectionism, but we oppose so-called “free trade” arrangements such as NAFTA (the North American Free Trade Agreement), the FTAA (Free Trade Area of the Americas), and the “free trade” policies of the WTO (World Trade Organization) and the World Bank. Multilateral free-trade regimes serve the interests of multinational corporations in gaining access to markets – labor, suppliers and buyers – but not the needs of workers for good jobs, consumers for safe products or people around the world for clean air and water. In free trade competition, only the corporations win: the rest of us are pitted against each other in a desperate race to the bottom.

The benefits of trade should be distributed fairly, so that economic integration benefits workers, consumers and the environment, not just large corporations. We call for more meaningful connections across borders, like global unionism and international solidarity.

Industrial unions have long understood the effects of unregulated trade on their members. When production is shipped overseas in search of cheap labor and lax environmental standards, manufacturing workers lose jobs. As the country enters the 43rd straight month of declining manufacturing jobs, this is truer than ever. Of the nearly three million jobs lost since President Bush took office, at least 15% have been shifted overseas.

The steel industry demonstrates the potential effects of trade liberalization on domestic

workers. For years, illegal dumping of steel has endangered hundreds of thousands of union jobs in the steel industry. In March of 2002, the Bush administration imposed tariffs on steel to protect US businesses and workers. But under pressure from the WTO, the European Union and Japan, the President announced he would lift the tariffs.

Today, workers in the service sector are learning the same hard lesson. Public sector clerical work is being sent offshore to cut costs. The General Agreement on Trade in Services, part of the World Trade Organization, makes it even easier for businesses in the service sector to trade away the jobs of service workers.

The liberalization of services opens the door further to privatization in the public sector. Health care, K-12 education, postal work and many other industries could all be pried open by foreign corporations, a disaster for workers and unions in those industries. We reject plans to expand the GATS and to include similar language on services in future trade agreements.

NAFTA, CAFTA and the FTAA

Labor's opposition to free trade was born with the fight to stop NAFTA. After ten years of the trade agreement, it is clear that the unions were right all along. Proponents promised the trade deal would create 200,000 US jobs. But today even the Department of Labor acknowledges that almost three quarters of a million US jobs have been lost due to NAFTA's economic dislocations. Several million Mexican workers have lost their jobs as well.

NAFTA was supposed to increase US exports to both Mexico and Canada. But instead, the maquiladora or assembly plants on the Mexican side of the Rio Grande have boomed, luring manufacturing away from US workers, environmental standards and unions. Today, our trade deficit with Canada is five times what it was when the agreement was signed, and our trade deficit with Mexico is a staggering \$37 billion.

The Central American Free Trade Agreement (CAFTA) – signed in December of 2003 and headed to Congress in June of 2004 – would expand the failed NAFTA model of international trade throughout Central America and the Caribbean, threatening workers rights, driving farmers off the land, and undermining our democracy. Wages in Central America are even lower than in Mexico, allowing corporations an even more powerful lever to reduce the cost of production, and with it the pay, working conditions and environmental standards of the signatory nations. CAFTA would also include services provisions promoting the privatization and deregulation of fundamental public services.

The Administration's push to implement CAFTA is part of a larger strategy for an even more expansive trade agreement, the Free Trade Area of the Americas, which would cover all of North, Central, and South America except Cuba. The FTAA would bring 34 countries and a population of more than 800 million into a trade regime designed for the interests of large corporations.

In this cynical new vision of the global economy, poorer countries would provide the cheap labor, driving down wages and working standards in the wealthier countries. The FTAA would only accelerate the staggering job loss and environmental damage that NAFTA has begun.

Labor Fights Back

Since labor's defeat on NAFTA, unions and their allies in the battle against free trade have learned a thing or two. In 1999, fair trade activists shut down the World Trade Organization in Seattle, in a spectacular city-wide demonstration that brought together union members with young people, environmentalists, consumer groups and others.

In September 2003, the WTO met another setback, as developing countries walked out of talks in Cancun. Just two months later, tens of thousands of workers and community allies staged massive protests in Miami which helped bring an abrupt end to efforts to negotiate the FTAA. Halfway through 2004, negotiators are still meeting serious obstacles in negotiating the agreement, and insiders question whether the treaty will be ready by its January 2005 deadline. While union protests have not caused the difficulties, which spring from the contention nature of North-South agreements, they have certainly helped drive them home.

In the wake of these challenges, the US administration has been forced to turn its focus from multilateral trade regimes to bilateral ones, which are easier to negotiate and more likely to pass congressional scrutiny. In July of 2003, Congress approved trade agreements with both Chile and Singapore.

We urge not liberalization but international solidarity in the face of the global economy. We support solidarity campaigns that use purchasing power to bring pressure to bear on companies that abuse worker rights. We endorse cross-border organizing and international solidarity among workers. Global unionism is the best answer to the system of global exploitation.

Toward a Fairer Global Economy

The Federation rejects Fast Track, which allows the administration to negotiate trade deals in secret without congressional oversight or amendment. We believe trade agreements need more scrutiny, not less. We oppose efforts by some congressional leaders to sell Fast Track by adding improved Trade Adjustment Assistance to the bill. US workers do need better government support if their jobs are lost to overseas trade, but this reform will not eliminate the problems of Fast Track.

We oppose language in trade agreements that allows foreign corporations or investors to challenge our laws (whether federal, state or local) if they reduce their profits. The Federation supports the state legislature's efforts to expand public scrutiny of international trade agreements and the potential risks to state lawmaking authority.

In 2003, the Federation and its affiliates successfully persuaded CalPERS to create a Foreign Emerging Markets policy, the first of its kind. In 2004, we successfully lobbied CalPERS to continue this policy. We will continue to support efforts to ensure that public pension money is not invested in countries with significant labor rights abuses.

Ten years after the anti-NAFTA battles united unions with environmentalists, consumer groups and third-party activists, the Federation supports innovative coalition efforts to transform the global economy. Student organizations have come together with US and foreign unions, for example, to expose Coca Cola's human rights violations in Colombia. We endorse such efforts to enforce corporate accountability through global solidarity. Multinational corporations can escape scrutiny only when we are divided. By uniting consumers and workers from across the globe, we can lead towards trade that is fair, not "free."

CALFIORNIA LABOR FEDERATION

2004 Biennial Convention

FINAL RESOLUTIONS

SALARY OF THE PRESIDENT

WHEREAS, President Tom Rankin has announced he will retire after more than twenty years of outstanding service; now therefore be it

RESOLVED, that Article XI Section 1 found on page 30 of the Constitution be amended to read, "Section 1. The President shall receive a stipend of \$400.00 for each day he/she chairs meetings of the Executive Council and for each day he/she presides over a Convention of the Federation;" and be it further

RESOLVED, that Article XI Section 3 found on page 31 of the Constitution be amended to read, "The Executive Council, at its discretion, may, from time to time, raise the stipend set forth in Section 1 and/or the salary set forth in Section 2 of this Article during terms of office, based on the national and state economy, and utilizing the various Cost of Living indexes, contingent upon approval of the President of the AFL-CIO. Any increase in stipend and/or salary pursuant to this section shall be reflected in Section 1 and/or 2 of this Article, as appropriate, when this Constitution is printed as required by Article XIX."

SUPPORT THE WORKING FAMILIES/LABOR CHANNEL PROPOSAL

WHEREAS, the need to have regular labor media on television is vital to educate and defend the interests of working people; and

WHEREAS, information about labor and the trade union movement has been censored and marginalized from the mainstream media by corporate monopolies that dominate television, radio, and the newspaper industry; and

WHEREAS, labor must organize a labor media movement that produces regular labor programming on television and radio; and

WHEREAS, the lack of labor history education and the role of the trade union movement is missing from television, radio, and other media and is a necessary component in building a democratic society and protecting the interests of all working people; now therefore be it

RESOLVED, by this 25th Biennial Convention of the California Labor Federation, AFL-CIO, that the Federation endorse and support the establishment of the Working Families/Labor Channel Consortium initiated by Union Producers and Programmers Network and the California Community Colleges.

"NO MATCH DISCHARGES" – AN INJURY TO ONE IS AN INJURY TO ALL

WHEREAS, the Social Security Administration has sent certain employers located in the City and County of San Francisco so-called "No Match" letters indicating that an employee's name and Social Security as reported by employer do not match; and

WHEREAS, these letters have resulted in the intimidation of unionized and non-unionized workers attempting to assert their workplace rights and threaten the employment of San Francisco workers, many of whom have been unemployed for many years; and

WHEREAS, these letters are advisory and meant to inform the workers and ensure that their earnings are properly credited so that they will be entitled to collect Social Security monies at the appropriate time; and

WHEREAS, these letters do not indicate that the named workers are undocumented or are otherwise precluded from continuing in their jobs and there is no penalty for employers based on the no-match letters; and

WHEREAS, the Social Security Administration is not an enforcement agency, but rather an agency charged with providing benefits to our nation's workforce; and

WHEREAS, the Social Security Administration receives Social Security payments and its only proper role is to assure proper accounting for said funds; and

WHEREAS, unscrupulous employers, unionized and non-unionized, use this weapon to exploit workers on the job and dismiss said employees for unlawful and unjust purposes; and

WHEREAS, these discharges for said stated reasons have been determined to be without "just cause" for discharge; and

WHEREAS, the urgent need to defend workers on the job is inextricably linked to labor's task to organize all workers, immigrant and non-immigrant; now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO call on all affiliated unions and community organizations to defend our immigrant sisters and brothers (organized and unorganized), provide training to shop floor and union leadership, and propose contract language guaranteeing immigrant worker rights; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO share this resolution with all central, state, and national labor bodies to ask for their consideration and support.

SUPPORT UNIVERSAL HEALTH CARE

WHEREAS, nearly seven million Californians and over 45 million Americans lack health insurance; and

WHEREAS, health care access should be a human right and not a privilege available to the rich and to those of us fortunate enough to have coverage through our jobs, even as we face continual anxiety and uncertainty about continuing and future health care coverage; and

WHEREAS, the cost of workers' health care premiums rise while many employers shift costs to workers and limit choices of plans and doctors, and many HMOs and insurance companies deny coverage of needed

treatment while refusing to cover such needs as dental and vision care and prescription drugs; and

WHEREAS, many working class people with health insurance forego care because of inadequate coverage, high out-of-pocket costs, services not covered by health plans, and limits on lifetime spending, while 50 to 70 million people fear they would be bankrupted if struck with a catastrophic illness, yet another 45 million of us, 59% of whom work full time, have no health insurance at all; and

WHEREAS, our health care system is driven by making profits with as much as 30 cents out of every dollar spent on outrageous CEO salaries, shareholder dividends, marketing and administration, with not much left over for health care, and as long as we permit corporate values and profits to take precedence over the health of working families, we will never have comprehensive health care for all; and

WHEREAS, American workers' health care costs and infant mortality rates are higher than in any other advanced industrial nation, while our life expectancy is lower; and

WHEREAS, we have seen the suffering of 70,000 grocery workers in a bitter four-month strike over the cost of health care which is emerging as a contract issue nationwide; and

WHEREAS, what is needed is a health care system that guarantees access to quality care for everyone, with or without a job, while ensuring the doctor-patient relationship through free choice of doctors and other health care providers; and

WHEREAS, labor unions across California supported Senate Bill 2 – the Health Insurance Act of 2003 – a landmark piece of legislation to provide health care to an

additional one million Californians and protect health care for millions more; and

WHEREAS, wealthy businesses and employer associations have spent millions in an attempt to repeal the Health Insurance Act of 2003, which will now appear as Proposition 72 on the November 2004 ballot; and

WHEREAS, winning Proposition 72 in November will allow California labor unions and our allies to continue to pursue health care reform in this state to address problems of skyrocketing costs, eroding quality, and lack of access for those who still lack health insurance; and

WHEREAS, the loss of Proposition 72 would likely halt any efforts for continued health care reform in California and serve a blow to health care reform efforts nationally; and

WHEREAS, a non-profit, publicly financed health care plan offers some advantages for achieving more sustainable, efficient and equitable health care system; and

WHEREAS, Richard Trumka, Vice President of the AFL-CIO recently noted that the crisis in health care cannot be solved at the bargaining table, and said, "The solution must be national and legislative;" now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO call on its affiliated unions to vote yes on Proposition 72 and to organize their members to vote yes on Proposition 72 to defend our health care and pave the way for additional health care reform in California; and be it further

RESOLVED, that after Proposition 72 is successfully defended on the November ballot, that the California Labor Federation, AFL-CIO explore with its affiliated unions further health care reforms to address the

skyrocketing costs, eroding quality, and lack of access to health care in California; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO support universal health care for all and explore different options for achieving this goal; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO call on the National AFL-CIO to support universal health care for all and explore different options for achieving this goal, including the establishment of a non-profit, publicly financed national health care plan that guarantees comprehensive, lifetime care for all.

DEFEND THE UC INSTITUTE FOR LABOR AND EMPLOYMENT

WHEREAS, the University of California Institute for Labor and Employment (ILE) was founded in 2000 by the State Legislature with the full support of organized labor to establish a statewide institute that could carry out research and policy development on critical issues affecting workers in our state; and

WHEREAS, in its short history the ILE has achieved national recognition for excellence in labor and employment research with publications like the annual "State of California Labor" report; and

WHEREAS, the ILE has become an access point for California workers and unions to utilize the resources of the university; and

WHEREAS, the ILE supports labor education provided by the Labor Centers at UC Berkeley and UCLA, which make labor studies available to working Californians; and

WHEREAS, the ILE budget was \$6 million in 2000, but with the economic crisis was reduced by one-third to \$4 million in 2003; and

WHEREAS, Governor Schwarzenegger's proposed budgets in 2004 provided no funds for the ILE, signaling his intention to eliminate the ILE entirely, while retaining many business programs in the University with budgets worth tens of millions of dollars; now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO consider the attack on the UC Institute for Labor and Employment to be an attack on the whole labor movement and on all California workers; and be it finally

RESOLVED, that we immediately call upon the Governor and our legislators to restore State funding to the ILE, cutting its budget only in direct proportion to other necessary cuts in the University of California research budget.

BUILD UNITY AND TRUST AMONG WORKERS WORLDWIDE

WHEREAS, the AFL-CIO and unions generally in the U.S. are deeply committed to the concept of solidarity with labor movements in other countries; and

WHEREAS, the National Endowment for Democracy (NED) has a dubious history, having been deployed frequently to promote U.S. government foreign policy objectives, including assisting in overthrowing democratically elected governments and interfering in the internal affairs of the labor movements of other countries; and

WHEREAS, the conventions of the International Labor Organization guarantee

workers of every country the right to choose to be represented by the labor organization or union of their own choosing, free from government, corporate or foreign interference or constraints; and

WHEREAS, the AFL-CIO leadership, through the Federation's Solidarity Center, has announced its intentions to apply for \$3 to \$5 million in funding from the NED for its operations in Iraq; and

WHEREAS, AFL-CIO acceptance of NED funding for its solidarity work in Iraq may give the appearance, if not the effect, of making the AFL-CIO appear to be an agent of the U.S. government and its foreign policies, which may taint the good reputation of the Federation in the eyes of labor movements in other countries and draw into question the motivation and true independence of the Federation in its international affairs; and

WHEREAS, the South Bay AFL-CIO Labor Council (SBLC) and its affiliate, Plumbers and Fitters Local 393 presented the "Clear the Air Resolution" at the July 24, 2002 California Labor Federation Convention, and though many delegates had current concern about Venezuela, "Clear the Air" outlined an AFL-CIO role leading to the 1973 coup in Chile and, among other things, called upon the AFL-CIO to "fully account for what was done in Chile and other countries where similar roles may have been played in our name, to renounce such policies and practices, describe, country by country, exactly what activities it may still be engaged in abroad with funds paid by government agencies, and renounce any such ties that could compromise our authentic credibility and the trust of workers here and abroad and that would make us paid agents of government or of the forces of corporate economic globalization"; and

WHEREAS, leaders of the State Federation presented a substitute resolution, "Looking Ahead on AFL-CIO Policy Abroad," calling upon the AFL-CIO to "convene a meeting with the State Federation and interested affiliates in California to discuss their present foreign affairs activities involving government funds. The aim of the meeting will be to clear the air concerning AFL-CIO policy abroad and to affirm a policy of genuine global solidarity;" and

WHEREAS, leaders of the State Federation, the SBLC, Local 393, and UFCW Local 428 negotiated an agreement to accept the compromise "Looking Ahead" resolution, based explicitly on the understanding that the meeting with the AFL-CIO had the burden of satisfying the outlined concerns and if it failed to do so, then the original "Clear the Air" resolution would require implementation. In calls for unity, that understanding was clearly stated on the floor of the convention without discord or disagreement; and

WHEREAS, significant disagreement exists about whether the meeting that took place on October 14, 2003 fully addressed the concerns raised within the original "Clear the Air" resolution; and

WHEREAS, questions have been raised about how the information provided in this meeting relates to information contained in newly released government documents about the AFL-CIO's involvement in Venezuela and its acceptance of National Endowment for Democracy (NED) funds; now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO affirm its support for the principles of autonomy, independence and self-determination embodied in the International Conventions of the International Labor Organization; and be it

further

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO urge the National AFL-CIO and its Solidarity Center to exercise extreme caution in seeking or accepting funding from the U.S. government, its agencies and any other institutions which it funds such as the NED for its work in Iraq or elsewhere, and to accept these funds only to further the goals of honest international labor solidarity, not to pursue the policies of Corporate America and the United States government; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO supports the basic demand of the "Clear the Air" resolution to call upon the National AFL-CIO "to fully account for what was done in Chile, Venezuela, and other countries where similar roles may have been played in our name, and to describe, country by country, exactly what activities it may still be engaged in abroad with funds paid by government agencies and renounce any such tie that could compromise our authentic credibility and the trust of workers here and abroad and that would make us paid agents of government or of the forces of corporate economic globalization;" and be it further

RESOLVED, that the California Labor Federation, AFL-CIO call on the National AFL-CIO to establish a working group to propose and review programs to strengthen international labor solidarity around the world; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO urge the National AFL-CIO to fund its international programs and activities, whenever possible, from funds generated directly from its affiliates and their members; and be it finally

RESOLVED, that the California Labor Federation, AFL-CIO send this resolution to the National AFL-CIO for immediate attention in order to move forward together in creating trust and unity among workers worldwide.

OPPOSE THE FEDERAL MARRIAGE CONSTITUTIONAL AMENDMENT

WHEREAS, throughout our country's history, the constitutional amendment has been a tool to enshrine the rights of all Americans, and our long history of civil rights struggle has found protection in our constitutional amendments. From the abolition of slavery, set forth in the 13th Amendment, to the right of women and people over the age of 18 to vote, set forth in the 19th and 26th Amendments, the constitutional amendment has been the legal foundation on which to grant fundamental rights, not take them away; and

WHEREAS, now a constitutional amendment is being proposed that would take away the rights of lesbian, gay, bisexual, and transgender persons to enter into civil marriage. The Federal Marriage Amendment (S.J. Res. 26, H. J. Res. 56) states, "*Marriage in the United States shall consist only of the union of a man and a woman. Neither this Constitution or the constitution of any State, nor state or federal law, shall be construed to require that marital status or the legal incidents thereof be conferred upon unmarried couples or groups.*" If passed, the Federal Marriage Constitutional Amendment would become the first constitutional amendment to restrict the rights of a certain class of Americans; and

WHEREAS, as trade unionists, we believe that our gay, lesbian, bisexual, and

transgender brothers and sisters unequivocally deserve the same benefits as their heterosexual brothers and sisters. For that reason, trade unions have been securing groundbreaking contracts that provide our gay, lesbian, bisexual and transgender brothers and sisters with a patchwork of protections and benefits. We have fought vigilantly to secure the rights of these workers through explicit anti-discrimination language and pay equity through domestic partnership benefits; and

WHEREAS, the Federal Marriage Constitutional Amendment would make it virtually impossible to maintain and negotiate benefits on behalf of our gay, lesbian, bisexual, and transgender workers. In states that have passed similar legislation, domestic partnership benefits have been challenged; and

WHEREAS, the Federal Marriage Constitutional Amendment would restrict unions from offering all employees an equitable employment package. Furthermore, the Federal Marriage Amendment could invalidate thousands of union contracts that include domestic partnership benefit provisions; now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO stand in opposition to the Federal Marriage Constitutional Amendment.

FAIR TRADE RESOLUTION

WHEREAS, the California Labor Federation, AFL-CIO strongly supports international trade agreements as a means to

achieving local, regional, and global social and economic benefits; and

WHEREAS, the U.S. – Central America Free Trade Agreement (CAFTA), as well as other regional and bilateral trade agreements currently under negotiation by the Bush administration, expand the failed “free” trade model of the North American Free Trade Agreement (NAFTA); and

WHEREAS, the negative effects of NAFTA’s free trade policies on workers are well established and NAFTA has failed to produce significant economic benefits for workers in Canada, Mexico, and the United States; and

WHEREAS, the CAFTA would continue the assault on manufacturing workers in California and around the nation, but would also threaten the jobs and livelihoods of construction workers, government employees, and postal employees; and

WHEREAS, the CAFTA also threatens the rights of citizens to use the democratic process to enact laws and regulations in the public interest, including prevailing wage laws, project labor agreements on government construction, and local or union purchasing preference; and

WHEREAS, the CAFTA could require the privatization of federal, state, and local government services; and

WHEREAS, the CAFTA labor provisions fail to meet core International Labor Organization standards, provide ineffective enforcement mechanisms, and are woefully inadequate to prevent continued job flight from California, or to protect workers in Central America; and

WHEREAS, the CAFTA rules on trade in services significantly alters regulation of services, and grants greater control to business in regulating and providing

services such as healthcare, construction, telecommunications, education, tourism, water distribution, and energy services; now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO call on the National AFL-CIO to stand in strong opposition to the Central American Free Trade Agreement (CAFTA), and other free trade agreements based on the failed NAFTA model; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO call on the National AFL-CIO to urge all affiliated unions to help educate their members about CAFTA, to join the millions of people throughout the Americas expressing their objection to the free trade model, and to work to ensure the defeat of CAFTA in Congress; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO call on the National AFL-CIO to actively advance a new agenda for international trade in solidarity with workers and civil society groups around the world; and be it finally

RESOLVED, that the California Labor Federation, AFL-CIO join the California Coalition for Fair Trade and Human Rights as a member organization to work in collaboration with other civil society groups in the state advancing a fair and responsible trade agenda, economic justice, and human rights.

A Contract Expenditure Budget for California

WHEREAS, California state and local governments engage in a significant amount of contracting out, covering a broad range of

services, including information technology, low-security incarceration, toll highways, Welfare-to-Work, school bus transportation and foster care services; and

WHEREAS, contracting out is often promoted as a way to cut costs, especially during fiscally strained times as California has had, yet public officials and taxpayers rarely know how much is being spent on contracts, let alone whether they are truly cheaper than publicly provided services; and

WHEREAS, California and other states and local governments around the country have frequently found that public services suffer when they are contracted out and that the promised savings of privatization do not materialize; now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO affirm that the best way to strengthen public services in California is to value and support the public employees who provide them; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO oppose any effort by the Governor or Legislature to weaken existing safeguards on the privatization of public services; and be it finally

RESOLVED, that the California Labor Federation, AFL-CIO call on the Governor and the members of the California Legislature to support legislative proposals to bring accountability to state contracting and to reveal the true cost of privatization of public services by requiring an annual contract expenditure report, as called for in S.B. 1638.

STOP CORPORATE TAX AVOIDANCE

WHEREAS, California's corporate income tax has withered as a source of state revenue, generating only 8 percent of state revenue in 2000, compared to 15 percent in 1979 and 12 percent in 1989; and

WHEREAS, tax avoidance schemes carried out by corporations doing business in California cost the state an estimated \$1.3 billion per year; and

WHEREAS, California voluntarily foregoes an estimated \$3.8 billion in state revenue every year by granting tax incentives to businesses in the hope of attracting jobs, but without ensuring that quality jobs are created; and

WHEREAS, California has suffered from a historic budget crisis, with deficits totaling \$60 billion to \$75 billion over the last three budget years and the upcoming budget; and

WHEREAS, when corporations avoid their tax responsibilities, the tax burden is shifted to individuals in the form of higher personal income, sales, vehicle license and other taxes and in cutbacks to state and local services such as education, health services, public safety, parks and recreation, and child care; and therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO oppose the shifting of corporations' state income tax responsibilities onto California families; and be it further

RESOLVED, that the California Labor Federation oppose the extension of tax incentive programs and the creation of new programs which cost the public millions of dollars but fail to create good jobs; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO support legislative efforts to close technically legal but ethically questionable and unjustified corporate tax loopholes; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO support legislative proposals to disclose the tax bills of large corporations in order to properly evaluate corporations' true tax burdens and to spur tax reform efforts; and be it finally

RESOLVED, that the California Labor Federation, AFL-CIO support efforts by the California Franchise Tax Board to improve corporate tax collections by ending corporations' use of abusive tax shelters and by more effectively enforcing corporate tax laws.

OFFSHORING U.S. JOBS

WHEREAS, corporations have outsourced an alarming and growing number of American jobs overseas, enhancing profits for these companies at the expense of U.S. workers; and

WHEREAS, flawed global trade policies have cost the United States more than 3 million manufacturing jobs since 1994; and

WHEREAS, advances in technology and communications expose an additional 14 million U.S. professional and service jobs to the offshoring threat within the next 10 years; and

WHEREAS, government agencies contract out public service jobs to private companies, many of whom move or outsource those jobs overseas without notifying the government or the public; and

WHEREAS, when public service jobs are outsourced, significant state and local taxpayer dollars are diverted to enhancing the profits of these offshoring companies rather than employing U.S. workers and benefiting California's communities; and

WHEREAS, offshoring also threatens the privacy of Americans' personal information, including financial and medical records, as was shown when U.C. San Francisco Medical Center patient records were offshored to Pakistan; and

WHEREAS, the Bush Administration has declared that "when a good or service is produced more cheaply abroad, it makes more sense to import it than make or provide it domestically;" now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO oppose the offshoring of U.S. jobs and call on the National AFL-CIO to oppose unfair global trade deals such as NAFTA, CAFTA, FTAA and GATS that have or will spur such offshoring; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO call on the Governor and members of the California Legislature to support state legislation requiring companies to publicly disclose the number of jobs they have in-state, within the United States, and overseas, as called for in AB 3021 (Assembly Labor Committee); and be it further

RESOLVED, that the California Labor Federation, AFL-CIO call on the Governor and members of the California Legislature to support state legislation, including AB 1829 (Liu), that prohibits the offshoring of government contract jobs; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO call on the Governor and members of the California Legislature to support state legislation protecting the privacy of state residents' personal information by requiring that work involving sensitive information remain in the United States; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO call on the Governor and members of the California Legislature to support state legislation to guarantee that no work related to homeland security be done offshore, as called for in SB 888 (Dunn); and be it further

RESOLVED, that the California Labor Federation, AFL-CIO call on the National AFL-CIO to support federal legislation that protects U.S. jobs from being moved overseas, allowing federal tax dollars to benefit California and other states rather than offshoring corporations; and be it finally

RESOLVED, that the California Labor Federation, AFL-CIO expend every effort to elect John Kerry for President of the United States in part because of his positions on offshoring of U.S. jobs versus those of George W. Bush.

THE PATRIOT ACT

WHEREAS, since the PATRIOT Act was passed, Americans have witnessed as well as experienced a sharp increase in arbitrary secret arrests and detentions and deportations, and a sharp increase in abuse by federal authorities of rights to privacy and due process; and

WHEREAS, the Bush administration is

pushing Congress to drop the Sunset Clauses in the PATRIOT Act (which put a time limit on the Act's severe expansion of federal administrative powers over civil liberties, due process, and personal and financial privacy) to make its provisions permanent, is continuing to expand its executive authority to conduct government by edict and through secret National Security Letters, and continues to sneak draconian portions of the failed Patriot Act II into various other bills to greatly expand federal secrecy and powers over individuals and organizations and to deny them due process and judicial review; and

WHEREAS, the use of the Homeland Security Act, the Maritime Security Act, and the PATRIOT Act under the mantle of "national security" have been used to deny the rights of labor by restricting union representation rights to Department of Homeland Security employees, firing thousands of non-citizen airport screeners, denying maritime and port workers their jobs and employment, unfairly targeting and denying due process to immigrant workers, and attacking labor and anti-war activists; and

WHEREAS, across the political spectrum from the Right to the Left, groups mindful of the increasingly repressive hand of government, have organized and are demanding the end to the PATRIOT Act, and support for our Constitutional rights, and

WHEREAS, many believe that the Homeland Security surveillance of the SFLC Rally at Safeway in San Francisco, the police attack at the Port of Oakland on peaceful protestors and nearby ILWU port workers, and the militarized police siege and repression of peaceful protestors, including the AFL-CIO, at the Free Trade Agreement

of the Americas talks in Miami, illustrate how the War on Terror has also become a War on Working People; and

WHEREAS, organized labor must collectively stand with the American people and our own rank and file in opposition to the PATRIOT Act and similar repressive legislation, and begin to prepare its organizations and rank and file to organize resistance to government repression; now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO call on the National AFL-CIO to actively work against removal of the Sunset Clauses in the PATRIOT Act; and be it further

RESOLVED that the California Labor Federation, AFL-CIO actively work for adoption of Senator John Burton and Senator Byron Sher's California Senate Resolution 25, which would have California oppose any and all actions in the so-called war on terrorism which attack our civil rights and liberties, and which urges our Congressional delegation to work to repeal* the onerous provisions of the PATRIOT Act and to oppose** any pending and future federal legislation that would infringe on Americans' civil rights and liberties; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO send this resolution on with support to the National AFL-CIO.

*Support:

Security and Freedom Ensured Act (SAFE Act) (S.1709, H.R.3352). The SAFE Act works to strengthen the system of checks and balances on law enforcement and due process safeguards. The SAFE Act will

restore basic constitutional and international human rights that have been weakened by the USA PATRIOT Act.

End Racial Profiling Act of 2004, (S.2132) that will prohibit racial profiling in law enforcement at the federal, state and local levels, provide mechanisms to monitor enforcement tactics, provide mechanisms for processing and resolving complaints of racial profiling.

Citizens Protection in Federal Databases Act, Bill Number: (S. 1484) addresses the privacy implications of government data mining.

Benjamin Franklin True Patriot Act (H.R. 3171) this comprehensive bill would repeal many of the harmful provisions of the USA PATRIOT Act.

****Oppose:**

The Clear Law Enforcement for Criminal Alien Removal Act (H.R. 2671) will encourage more wrongful arrests, more unreported crimes, more racial profiling, and a greater burden on police officers by forcing local police to enforce federal immigration law.

"Anti-Terrorism Intelligence Tools Improvement Act of 2003" H.R. 3179, expanding USA PATRIOT Act surveillance powers, includes provisions from Patriot II

"Terrorist Penalties Enhancement Act of 2003" H.R. 2934 which expands the death penalty to acts defined by the USA PATRIOT Act as "terrorism" that are federal crimes punishable by more than one year in prison, includes Patriot II provisions.

"Fairness in Immigration Litigation Act,"

[S. 2443/H.R. 4406] which would restrict immigrants' access to federal court and includes the provision from The Patriot II that seeks to permit the deportation of individuals to countries that lack a formal and functioning government to accept them, and makes obtaining political asylum much more difficult by changing the standards of proof that applicants would have to meet; and would place greater restriction in the judicial review process designed to correct wrongly denied asylum claims.

BRING THE TROOPS HOME

WHEREAS, there is general agreement in the United States and throughout the world that Iraq did not have weapons of mass destruction that posed an imminent threat to this country or to Iraq's neighbors, and that the government of Iraq had few if any discernable ties to those who perpetrated the 9/11 attacks on the World Trade Center and the Pentagon; and

WHEREAS, the federal government has approved \$150 billion in public funds for the U.S. war in Iraq, draining those funds away from domestic priorities including transportation, health care, and national security; and

WHEREAS, working families in the United States have paid a heavy price for the U.S. involvement in Iraq with the deaths of 836 U.S. military personnel – with many more seriously injured – between the start of war on March 19, 2003 and June 16, 2004; and

WHEREAS the Bush Administration has used the Iraq War and the "War on Terrorism" as a platform to advocate for restrictions in civil liberties, such as

those embodied in the Patriot Act; now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO recognize the courage of U.S. military personnel who have faced extraordinary dangers in the U.S. war in Iraq and who now want to come home; and be it further

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO will explore affiliation with and help actively support and promote U.S. Labor Against the War (USLAW) to protect our members, their families, communities, and jobs, and the lives and livelihoods of working people everywhere; and be it finally

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO call on the National AFL-CIO to demand an immediate end to the US occupation of Iraq, and to support the repeal of the Patriot Act and the reordering of national priorities toward the human needs of our people.

MILLION WORKER MARCH ON WASHINGTON, D.C.

WHEREAS, our ancestors fought tirelessly in this country for the right to organize unions and ensure that our government recognized this right because it is a cornerstone of democracy; and

WHEREAS, that because of unions and solidarity among working people we have been able to win basic human rights, including employer paid healthcare, social security, and retirement benefits; safe working conditions; decent hours and wages; education for our children; social services for the disadvantaged; civil

liberties; and, most important, the right to political influence over our nation's foreign and domestic policies; and

WHEREAS, Franklin D. Roosevelt, in his State of the Union address in 1944 acknowledged our rights, saying, "We have come to the realization of the fact that true individual freedom can not exist without economic security and independence. Necessitous men are not free men. People who are hungry and out of a job are the stuff of which dictatorships are made"; and

WHEREAS, the current Bush Administration has cooperated with "Big Business" in attacking our rights, using legislation such as the Patriot Acts I and II, denying the right of hundreds of thousands of federal employees to belong to unions and bargain, forcing longshore workers to work under a Taft-Hartley Act injunction and threats of federal intervention; and

WHEREAS, the Bush Administration has negotiated trade agreements costing the jobs of hundreds of thousands of U.S. workers, calling this a move towards a healthy economy while promoting other economic policies, such as privatization and deregulation, which have resulted in the loss of over 3 million jobs since taking office; and

WHEREAS, the Bush Administration has given corporations and the wealthy huge tax breaks, while cutting billions of dollars in spending for social services, education, and other government programs won by working people through decades of effort; and

WHEREAS, the Bush Administration has excused all these policies by using the terrible events of September 11 to label any opposition unpatriotic and a threat to national security; has taken our country into an unjust war under the false assertion that Iraq possessed weapons of mass destruction,

costing the lives of hundreds of U.S. service members and innocent Iraqi civilians; and is whipping up fear even further to try to stampede the public into giving it another term in office; now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO support the principles behind the Million Worker March that condemn President Bush for consistently placing the interests of wealthy corporations above the interests of working people; and be it finally

RESOLVED, that the California Labor Federation, AFL-CIO urge the National AFL-CIO to consider support for a Million Worker March at an appropriate time after the successful defeat of President Bush in November.

UNKNOWN HISTORY: DEPORTATION OF MEXICAN AMERICANS

WHEREAS, 1.2 million Mexican Americans were unconstitutionally deported to Mexico in the 1930s; and

WHEREAS, the education of Mexican American children was disrupted by unconstitutional deportation; and

WHEREAS, Mexican-American children were denied the freedom and liberty normally accorded to U.S. citizens; and

WHEREAS, American society was denied the presence of Mexican American citizens and their contributions; and

WHEREAS, this egregious act in U.S. history has largely gone unnoticed and the

stories of these deportees have been largely unheard; now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO support legislation for the formation of a commission to study the issue of the deportation of 1.2 million Mexican Americans in the 1930s; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO advocate for adoption in California social studies curricula information about this little known history; and be it finally

RESOLVED, that the California Labor Federation, AFL-CIO inform its affiliates of this issue.

OPPOSE REPEAL OF SB 1419

WHEREAS, SB 1419 (Alarcon) was enacted in 2002 with the intent to provide protections and standards when school districts and community college districts enter into personal services contracting; and

WHEREAS, Governor Schwarzenegger, in his State of the State address, proposed the repeal of SB 1419; and

WHEREAS, the repeal of SB 1419 would have the effect of replacing committed and qualified workers with less qualified personnel, creating job loss and placing students, staff, and faculty at risk of substandard services and employment practices and creating unsafe environments in our schools and community colleges; now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor

Federation, AFL-CIO oppose the repeal, and pursue all avenues to defend and preserve the protections provided by the law as defined in SB 1419.

APPLYING UNION POWER TO ALTERNATIVE ENERGY DEVELOPMENT

WHEREAS, in the year 2003, California had the eighth-highest state ranking for Annual Average Unemployment Rates; and

WHEREAS, energy costs and instability are a significant contributing factor to job loss in many sectors of the economy, but particularly in the heavily-unionized industrial sector; and

WHEREAS, the National Association of Manufacturers shows California with the highest number of manufacturing jobs lost in the nation; and

WHEREAS, rising energy costs are creating economic hardships for our members and all working people in California; and

WHEREAS, rising natural gas, electricity and oil prices are making energy conservation, energy efficiency, and renewable power production much more compelling and economically viable in California and across the country; and

WHEREAS, a more diverse energy portfolio could help bring about greater energy security and less reliance on foreign energy; and

WHEREAS, if we turned our attention to the manufacturing of renewable energy systems for use worldwide, it would not only make us less reliant on foreign sources of energy,

but would also increase US economic development; and

WHEREAS, investment in energy efficient new construction and retrofitting existing real estate will save consumers in energy costs and create thousands of good construction jobs; and

WHEREAS, renewable energy markets are predicted to grow to \$92 billion within the next decade; and

WHEREAS, California already has over 5,000 MW in installed renewable capacity representing 1,241 renewable energy facilities; and

WHEREAS, increasing the diversity of our energy supply will create new employment for certified installers and union manufacturing and construction workers and can be linked to prevailing wage, Project Labor Agreements, apprenticeship utilization, and the utilization of domestic materials manufactured in-state; and

WHEREAS, the Apollo Project is a 10-year plan that would invest \$300 billion into renewable energy and energy efficiency, research and development of hydrogen fuel cell technology, increasing public transportation options, and preserving regulatory protections measures that would increase family wage jobs and lead the country toward greater energy independence; and

WHEREAS, seventeen international labor unions have publicly endorsed the Apollo Project, including:

- Amalgamated Transit Union (ATU)
- American Federation of State, County, and Municipal Employees (AFSCME)

- Bakery Confectionery, Tobacco Workers and Grain Millers
- Graphic Communications Industrial Union (GCIU)
- International Association of Machinists (IAM)
- International Brotherhood of Electrical Workers (IBEW)
- International Brotherhood of Teamsters (IBT)
- International Union of Electrical Workers (IUE-CWA)
- Paper and Allied Chemical Employees (PACE)
- Service Employees International Union (SEIU)
- Sheet Metal Workers International Association (SMWIA)
- Transportation Workers Union (TWU)
- United Automobile and Aerospace Workers (UAW)
- United Food and Commercial Workers (UFCW)
- United Mine Workers of America (UMWA)
- Union of Needle Trade Industries and Textile Employees (UNITE!)
- United Steel Workers of America (USWA); now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO endorse the national Apollo Project; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO convene a California Apollo Project of affiliates, community organizations and environmental organizations to encourage public and private investment in renewable energy and energy efficiency in California; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO assist its affiliates and Apollo partners to explore joint projects and develop formal partnerships with the State of California, other public and private employers and investors in the areas of renewable energy, energy efficiency and research and development of energy storage options.

Quality Child Care and Preschool for All California Children

WHEREAS, the children of California's working families are our future and, therefore, have a right to the highest quality education beginning with parental involvement, quality child care and access to preschool for all; and

WHEREAS, parental bonding is crucial to a child's development, infant care is the most expensive and least available form of child care, and parental leave would allow parents to stay home to bond with newborn or newly adopted infants; and

WHEREAS, by partnering with parents, who are their children's first teachers, quality child care and preschool programs prepare children to do their best by nurturing their social-emotional, cognitive, linguistic and physical development, enhancing their self confidence, and paving the way for a lifetime of learning; and

WHEREAS, parental involvement is important to a child's success in school, and flexible work hours permit working parents to participate in school activities; and

WHEREAS, ensuring access to quality preschool for all three- and four- year-olds whose parents choose to send them has proven to be one of the soundest educational

and financial investments the public can make; and

WHEREAS, ensuring access to quality, affordable child care for all children, birth to five years of age, and before and after school programs for school age children are essential for children's safety and development and for parents' ability to work; and

WHEREAS, preschool and child care programs should be funded adequately in order to assure quality education and to pay wages and provide benefits comparable to those in California's K-12 system, and should be linked to full-day, affordable early care and education programs to meet the needs of working families; now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO endorse and support legislative efforts to enact flexible working hours for parents and more public funding for quality child care, including current efforts to create a state-funded preschool system; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO work with its affiliates and other stakeholders to build support for a child care and universal preschool system that works for working parents; and be it finally

RESOLVED, that the California Labor Federation, AFL-CIO clearly inform legislators that any plan for child care and universal preschool will succeed only with the commitment and adequate fiscal resources to ensure adequate professional salaries for the emerging preschool workforce, adequate funds for facilities and

for the higher education needed to develop that workforce.

STATEWIDE HOUSING TRUST FUND

WHEREAS, California's homeownership rate is 58%, significantly below the national average of 67%; and

WHEREAS, in California, a minimum wage worker (earning \$6.75/hour) can afford no more than \$351/month in rent in order to keep housing costs to 30% of gross income, while the average Fair Market Rent for a two-bedroom apartment in California is \$1,101/month; and

WHEREAS, only 29% of all Californians earn enough to afford the State's median-priced home, as opposed to 57% nationally; and

WHEREAS, the CA State Department of Housing & Community Development has determined that we need to produce 220,000 units of multi and single family housing each year to keep up with population and job growth, but we are producing only about 65% of this number; and

WHEREAS the percentage of California families who are forced to live far from their place of work because they cannot afford to live closer is increasing, causing increased pollution, congestion and strains on family life; and

WHEREAS, the production of affordable housing creates good jobs when these jobs are covered by union contracts and prevailing wages and apprenticeship opportunities to train the next generation of unionized construction workers, thus improving the overall local economy where the housing is built; and

WHEREAS, many affiliates of the California Labor Federation, AFL-CIO and the State Building and Construction Trades Council of California, AFL-CIO have participated in local efforts to address this crisis and establish local housing trust funds, including playing a leadership role in Housing LA, a campaign that led to establishment of the \$100 million Los Angeles Housing Trust Fund, and active participation in the Peninsula Interfaith Action Advisory Committee that is working to establish a Housing Trust Fund in San Mateo County; and

WHEREAS, over 30 states have established housing trust funds to produce low- and moderate-income housing; now therefore be it

RESOLVED, at this 25th Biennial Convention of the California Labor Federation, AFL-CIO, that the Federation work together with the State Building and Construction Trades Council of California, AFL-CIO, SEIU 1877, and other interested affiliates to support the establishment of a Statewide Housing Trust Fund with a dedicated stream of revenue that will produce rental and homeownership housing for low and moderate-income workers throughout the State.

Oppose Labor and Human Rights Abuses of Wal-Mart

WHEREAS, on June 22, 2004, Federal Judge Martin Jenkins certified the largest civil rights class action ever on behalf of over 1.6 million women who have worked at Wal-Mart since the end of 1998. The lawsuit charges that female Wal-Mart workers have endured years of discrimination in pay and promotions in all levels of the corporation; and

WHEREAS, Wal-Mart is notorious for its rampant violations of workers' rights to organize, and over 100 unfair labor practices have been charged against the company in the past few years for violations including unlawful surveillance, intimidation, and threats against workers seeking a voice at work; and

WHEREAS, Wal-Mart screens out potential union supporters through its hiring process by excluding those with union histories and administering personality tests to weed out applicants who are "likely to be sympathetic" to unions; and

WHEREAS, Wal-Mart is the country's largest employer, with over 1 million US workers, and the biggest employer in 25 states, granting the company the market power to set standards for wages and labor practices; and

WHEREAS, Wal-Mart faces 38 state and federal lawsuits filed by hourly workers in 30 states, accusing the company of systematically forcing them to work long hours off the clock; and

WHEREAS, a recent internal Wal-Mart audit leaked to the New York Times found "extensive violations of child-labor laws." The audit of 25,000 employee records found over 1,300 child labor law violations including minors working too late, during school hours, or for too many hours in a day; and

WHEREAS, a January 2004 New York Times article exposed Wal-Mart's policy of locking in workers on nighttime shifts in many stores around the country, trapping those workers inside and in some cases forcing injured workers to wait for hours to leave the building for medical care; and

WHEREAS, high premiums and deductibles keep more than two-thirds of Wal-Mart workers from participating in the company health plan, and nearly 700,000 Wal-Mart workers are forced to get health insurance coverage from the government or through spouses' plans; and

WHEREAS, a recent study released by U.S. Representative George Miller found that a typical Wal-Mart store with 200 employees costs taxpayers over \$400,000 per year in government programs that provide health insurance and other assistance to Wal-Mart workers earning poverty wages; and

WHEREAS, the Walton family is worth about \$102 billion, and less than one percent of that amount could provide affordable health care for Wal-Mart's workers; and

WHEREAS, Wal-Mart now plans to open 40 new "super centers" in California; now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO oppose the inhumane labor practices and human rights abuses conducted by Wal-Mart that not only mistreat Wal-Mart workers but undermine the rights of all working people; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO advocate for policies at the Legislature and other public bodies—including Local and State Workforce Investment Boards—to block Wal-Mart and other poverty-wage employers from receiving job training and other types of taxpayer funds; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO oppose the expansion of Wal-Mart stores in California and support the efforts of local labor and community organizations

to block Wal-Mart's expansion in California; and be it further

RESOLVED, that the California Labor Federation, AFL-CIO explore legislation to ban the use of illegitimate psychological testing as a factor of employment; and be it finally

RESOLVED, that the California Labor Federation, AFL-CIO explore legislation to prevent union members from facing discrimination in the job market for previous or current union membership.

SUPPORT THE EMPLOYEE FREE CHOICE ACT

WHEREAS, since 1935, workers have had the right under federal law to form unions, but federal laws have eroded over the years and are poorly enforced; and

WHEREAS, each year, 20,000 American workers suffer loss of pay due to illegal retaliation against them for exercising their right to freedom of association, and thousands more American workers are illegally threatened, coerced and interrogated, spied on, and harassed because of their efforts to form a union; and

WHEREAS, 42 million workers in the United States say that they would join a union now if they had the opportunity; and

WHEREAS, in California only 17.5 percent of our workers are unionized; and

WHEREAS, union membership provides workers better wages and benefits, and protection from discrimination and unsafe working places, while benefiting whole communities by strengthening tax bases, promoting equal treatment, and enhancing civil participation; and

WHEREAS, even though federal laws guarantee American workers the right to choose for themselves whether to form a union, employers across the nation routinely violate that right; workers are harassed, intimidated, coerced, and even fired, just for exercising, or attempting to exercise, this fundamental freedom; and

WHEREAS, the freedom to join a union is recognized as a fundamental human right; and

WHEREAS, when employers violate the right of workers to form a union, everyone suffers--wages fall, race and gender pay gaps widen, workplace discrimination increases, and job safety standards disappear; and

WHEREAS, most employer violations occur behind closed doors and each year employers spend millions of dollars to defeat unionization; and

WHEREAS, a worker's fundamental right to choose a union is a public issue that requires public policy solutions, including legislative change; and

WHEREAS, S. 1925 and H.R. 3619 have been introduced this session in Congress, which introductions mark the first time in two decades that Congress is considering legislation that aims to restore the freedom of workers to join a union; and

WHEREAS, the Employee Free Choice Act (S. 1925 and H.R. 3619) would, when a majority of employees in a unit appropriate for bargaining voluntarily sign authorizations (commonly known as "card check" recognition) designating an individual or labor organization as their bargaining representative, authorize the National Labor Relations Board to certify that individual or labor organization as the exclusive bargaining representative of those employees; and

WHEREAS, the Employee Free Choice Act would also provide for first contract mediation and arbitration, establish meaningful penalties to be imposed on employers that violate the right of workers to join a union, and include, for workers, the same process for immediate relief from illegal conduct that the law presently gives only to employers; now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO call on its Congressional delegation and Senators Boxer and Feinstein to support the Employee Free Choice Act (S. 1925 and H.R. 3619); and be it further

RESOLVED, that the Federation call on members of the California Legislature, the state constitutional officers and the Governor to support AJR 87 (Goldberg) urging Congress to support the Employee Free Choice Act.

SUPPORT PROPOSITION 72

WHEREAS, no union member in California is immune from the growing crisis in health care as employers push to increase our co-payments and paycheck deductions, limit our options for health care coverage and cut back on our dependent and retiree coverage; and

WHEREAS, the amount California families pay for premiums has increased 70% in the last three years; and

WHEREAS, nearly seven million Californians lack health insurance, and 80 percent of them are members of working families; and

WHEREAS, the California Labor Federation, AFL-CIO joined with its affiliated unions and community allies to win Senate Bill 2 – the Health Insurance Act of 2003 – which will provide health care to over one million uninsured

Californians and protect health insurance for many more millions; and

WHEREAS, the Health Insurance Act is seen as one of the most significant pieces of health care legislation in recent years; and

WHEREAS, greedy corporations – including Macy’s and McDonald’s – have joined the California Restaurant Association and other employer associations to spend millions in an attempt to defeat the Health Insurance Act of 2003 on the November ballot, where it will appear as Proposition 72; and

WHEREAS, winning Proposition 72 will boost the ability of unions to negotiate for their health care benefits because the Health Insurance Act creates a floor – much like the minimum wage – that unions can use to push for better quality coverage and lower co-payments than the Health Insurance Act requires; and

WHEREAS, the Health Insurance Act will level the playing field for union employers who will no longer face a “competitive disadvantage” for offering health insurance in a market where their competitors (like Wal-Mart) do not; and

WHEREAS, the Health Insurance Act of 2003 is a powerful weapon against employer efforts to claim that providing health care is no longer a benefit that workers can expect; and

WHEREAS, winning Proposition 72 is a needed step to further a health care campaign to achieve lower costs, broader access, and better health care quality; and

WHEREAS, Proposition 72 provide an important incentive for employers to work with us – not against us – to achieve a better health care system; now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO call on its affiliated unions to fully fund the Federation’s campaign to support Proposition 72; and be it finally

RESOLVED, that the Federation call on its affiliated unions to educate their members at the worksite to vote YES on Proposition 72 and submit Proposition 72 pledge cards for 25 percent of each affiliated union’s membership.

HEALTH CARE COST CONTAINMENT

WHEREAS, exploding health care costs are creating a serious problem for workers, consumers, unions and employers. Insurance premiums for job-based health benefits have grown at double-digit rates since 2001, a growth rate that is higher than at any time since 1990 and more than six times the rate of overall inflation in the economy; and

WHEREAS, escalating health care costs are reducing real wage growth, threatening the financial solvency of Taft-Hartley Health and Welfare Funds, crowding out collective bargaining negotiations over pensions, job training, and other negotiated benefits, straining public health and finance systems, and creating a competitiveness gap that will drive investments and jobs away from California toward cheaper labor markets here and abroad; and

WHEREAS, the leading employer strategy is to shift rising costs to workers, and employers are shifting costs at a rate greater than the rate of growth in premiums. Higher co-pays, deductibles and other out of pocket costs disproportionately hurt low-wage workers and reduce timely utilization of necessary and beneficial medical services and prescription drugs. California workers

on average sustained a thirty percent increase in their premium contributions in 2002 and rising co-pays and deductibles are adding to this burden; and

WHEREAS, workers and their unions will face an increasingly uphill and confrontational bargaining environment. Health benefits dominate collective bargaining, as employers continue in their efforts to shift costs, degrade benefits and withdraw retiree and dependent coverage; and

WHEREAS, high hospital charges are a key factor in driving up health care premiums and health care spending. Hospital spending has grown rapidly over the past couple of years and now accounts for over half of the total health care spending increase; and

WHEREAS, significant and unwarranted variation exists in hospital charges, service quality and patient outcomes. This variation is unrelated to severity of illness or the treatment preferences of patients; and

WHEREAS, California has a disproportionate share of the nation's most expensive hospitals and outpaces the nation in the growth rate for hospital inpatient costs. From 1998 to 2001, inpatient costs annually increased at an average rate of 11.3 percent in California, compared to 5.9 percent nationwide; and

WHEREAS, California's largest hospital corporations have consolidated their market power in an aggressive quest for profits. Executive salaries have skyrocketed and the state's hospital industry reaped record profits of more than \$2.7 billion in 2002 alone. Despite their record profitability, hospitals have failed to make adequate investments in their healthcare workforce,

contributing to poorer outcomes for patients; and

WHEREAS, until organized labor becomes aggressively involved in addressing health care cost and quality issues, we will just be generous checking accounts for an unaccountable industry – draining away wages and retirements funds to pay for health care that we neither control nor evaluate; now therefore be it

RESOLVED, by this 25th Biennial Convention of the California Labor Federation, AFL-CIO, that the Federation will work with its affiliated unions to demand transparent cost and quality information from the hospital industry; and be it further

RESOLVED, that the Federation will actively explore with its affiliates and their signatory employers legislation to contain health care costs by assuring that the rates that hospital corporations charge are neither excessive nor unfairly discriminatory; and be it further

RESOLVED, that the Federation will bring together affiliates to explore purchasing coalitions that will directly address the cost of our members' health care; and be it finally

RESOLVED, that the Federation will sponsor and support legislation that recognizes and corrects for the failure of market mechanisms to ensure health access, patient safety, high quality, payer equity, service stability, and affordability in the health care financing and delivery system.

SUPPORT CUSTOMER SERVICE
REPRESENTATIVES AT AMERICA
WEST

WHEREAS, the Customer Service Representatives at America West are seeking representation by the International Brotherhood of Teamsters to achieve fair wages and benefits and a voice on the job; and

WHEREAS, America West has launched an aggressive “union avoidance” campaign that has included inappropriate and unacceptable attacks on the accomplishments of the Teamsters union; now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO support the Customer Service Representatives’ campaign to join the International Brotherhood of Teamsters; and be it further

RESOLVED, that the Federation educate all of its affiliated unions about this organizing campaign; and be it further

RESOLVED, that the Federation communicate this resolution to the management of America West; and be it finally

RESOLVED, that the Federation call upon all of its COPE endorsed candidates to protest America West’s “union avoidance” campaign and support the Customer Service Representatives’ campaign to join the Teamsters.

INCREASE THE MINIMUM WAGE, OPPOSE TIP CREDIT/POOLING

WHEREAS, the California Labor Federation, AFL-CIO, has a long history and policy of opposing a tip credit and tip pooling against the state minimum wage; and

WHEREAS, the current minimum wage is insufficient to provide the proper cost of living for over two million Californians and remains 88 cents below the federal poverty level; and

WHEREAS, California once led the West Coast states by having the highest minimum wage. Now, California is falling further behind West Coast standards. Oregon's wage is \$7.05 with indexing; Washington's wage is \$7.16 an hour with indexing, and Alaska's is \$7.15 per hour effective January 2003. California's West Coast economic rivals and their local communities have benefited from the improved purchasing power that their higher minimum wage gives to hundreds of thousands of lower paid consumers; and

WHEREAS, new studies have shown that raising the minimum wage does not hurt employers or small business in the state but does alleviate poverty. A June 2004 report by the California Budget Project shows that during the 1997-2003 period the minimum wage was increased a number of times, raising more workers out of poverty, but did not contribute to job losses. Job growth was at 1.7% during the period. In the preceding six years, from 1991-1996, the minimum wage was stagnant, poverty increased, and job growth was only 0.4%; and

WHEREAS, a higher minimum wage would save billions of public dollars. A report released May 20th, 2004, by the University of California shows public assistance payments in California would drop \$2.7 billion if the current group of public assistance recipients earned at least \$8.00 per hour. It should always be remembered that the first federal minimum wage was implemented during the Great Depression; and

WHEREAS, the California Restaurant Association continues to advocate for a tip

credit and for tip pooling and against increases in the minimum wage; and

WHEREAS, according to the California Restaurant Association's web site, from 2001 to 2003 the number of restaurants in California grew by 7,100; and

WHEREAS, the issue of allowing a tip credit against the minimum wage has been litigated to the State Supreme Court by the Federation; and

WHEREAS, the State Supreme Court held the opinion that tip credits violate state labor laws; and

WHEREAS, tip pooling is currently illegal under Labor Code section 351, which states that gratuities are considered the "sole property" of the employee for whom they are left and the employer may not "collect, take, or receive" any gratuity left for the employee; and

WHEREAS, the decision as to how restaurant servers share their tips should be left up to the control of the employees involved. Tips are left for the servers, are their private property, and should not be subject to employer control; and

WHEREAS, increases to the state minimum wage should not be held hostage to attempts to change current law regarding the tip credit or tip pooling; now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO oppose tip credit and tip pooling measures before the state Legislature and Industrial Welfare Commission (IWC); and be it further

RESOLVED, that the Federation support efforts to increase the state minimum wage

before the Legislature and before the IWC, including support for AB 2832 by Assembly member Sally Lieber, which increases the state minimum wage from \$6.75 per hour to \$7.25 per hour on July 1, 2005 and to \$7.75 per hour on July 1, 2006; and be it further

RESOLVED, that the Federation call on its affiliated unions engage in legislative visits, rallies, and other actions to support passage of AB 2832; and be it finally

RESOLVED, that the delegates to the Federation's 25th Biennial Convention inform their legislators and the Governor of their support for AB 2832 and their opposition to tip credit and tip pooling measures.

OPPOSE HOMELAND SECURITY
PROPOSAL TO POSTPONE
ELECTIONS

WHEREAS, Department of Homeland Security Director Tom Ridge has recently considered a proposal to postpone the November elections in the event of a significant threat to national security; and

WHEREAS, such a postponement of the election would constitute a serious violation of civil rights and the democratic system on which this country is based; now therefore be it

RESOLVED, that this 25th Biennial Convention of the California Labor Federation, AFL-CIO vigorously oppose any attempts by Congress or the Bush Administration to postpone the November elections.