

Rebuilding the California Dream



Summary of the Proceedings of the 26th Biennial Convention

CALIFORNIA LABOR FEDERATION

July 25-26, 2006
Millennium Biltmore Hotel
Los Angeles, CA

Art Pulaski
Executive Secretary-Treasurer

Connie Leyva
President

Rebuilding the California Dream
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Proceedings of the
26th Biennial Convention



CALIFORNIA LABOR FEDERATION

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California Labor Federation

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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, Auditors and the Membership Per Capita Report.

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Day One Proceedings

Convention Called To Order

The Federation's 26th Biennial Convention began shortly after 10 a.m. Tuesday in the Millennium Biltmore Hotel in Downtown Los Angeles.

The convention was called to order by Federation President Connie Leyva, followed a welcome by Los Angeles Federation of Labor Secretary Treasurer Maria Elena Durazo.

The committee appointments were approved, and the reports by Credentials and Rules Committees were adopted.

Mayor Antonio Villaragosa

Mayor Antonio Villaragosa welcomed delegates to the City of Angels and thanked them for the warm reception. He discussed his part in settling the Amalgamated Transit Union strike in Los Angeles, and congratulated the union on achieving a successful new collective bargaining agreement.

John Garamendi

Candidate for Lieutenant Governor John Garamendi addressed the Convention next, focusing his remarks on the need for universal health care and criticizing the role of the insurance industry in blocking reform.

Tom Rankin and Nan Brasmer

Tom Rankin and Nan Brasmer talked about the work of the California Alliance for Retired Americans and encouraged members to affiliate with CARA and mobilize their retired members to action.

Resolutions

Two Resolutions were presented to the delegates for acceptance, and both were accepted. The resolutions were:

Support for Quality Education Reform, which calls on the Labor Federation Convention to support Assembly Bill 831.

Supporting Economic Equality and Civil Marriage, which calls on the Labor Federation to support economic equality for gay and lesbian workers through support of domestic partnership legislation and collective bargaining language.

A resolution presented by the Executive Council on the Strategic Planning Committee was also passed by the body.

Anne Feeney

Anne "The Hell-Raiser" Feeney performed two rousing songs for the delegates, "War on the Workers" and "Have you been to Jail for Justice?"

Strategic Planning Committee

Members of the Strategic Planning Committee, including Clyde Rivers of CSEA, Jim Weitkamp of CWA, Mary Bergan of AFT, Jerry Butkiewicz of the San Diego CLC and Chuck Mack of the Teamsters, presented labor's program for victory in 2006 and beyond.

Over 120 local unions signed pledges committing to meet goals for higher standards of performance in worksite action and member mobilization.

Phil Angelides

Gubernatorial Candidate Phil Angelides entered the convention hall to boisterous chants of “Phil! Phil! Phil!”

He then answered questions directly from the delegates in a town hall-style session. Among the topics members asked about were health care reform, pension security and support for organizing. Angelides discussed his role in defending pensions against attacks by Arnold Schwarzenegger and his vision for rebuilding the California Dream.

Workshops

Following the town hall, delegates participated in workshops to share information and best practices on communications, worksite mobilization, new member training, health care reform, organizing retired members and leadership strategies.

Awards Dinner

In the evening, San Francisco Mayor Gavin Newsom spoke to delegates about San Francisco’s groundbreaking health care initiative. Comedienne and AFTRA member Jackie Guerra MC’d the dinner, which honored leaders in union activism against Prop 75. Awardees included Vince Giblin, IUOE, Joe Hansen, UFCW, Ironworkers District Council, SEIU-UHW, IBEW 569, IBT Joint Council 7, 38 and 42. Also honored were AFT and ATU.



Convention Committees Approved

Executive Secretary-Treasurer Pulaski motioned to accept the Convention Committees as appointed by President Connie Leyva. This was seconded and carried by the delegates. The following is a list of the committees.

Sergeants-at-Arms

John Stewart, CSEA *Chair*
Catherine Boyd, OPEIU Local 30
Graciela Guitron, IBT Local 572
Guy Johnson, LIUNA Local 724
Erik Lagafuaiana, IBT 848
Dan Rush, UFCW Local 120
Keith Richardson, IBEW Local 569
Chris Lupton, OPEIU 30
Rhodessa Stinger, ATU 192
Eric Tate, Teamsters Local 848
C. J. Towner, IBEW Local 569
Serena Kay Williams, Musicians Local 47

Legislation Committee

Jim Gordon, CWA District 9, *Chair*
Pam Aguilar, Contra Costa CLC
Isabelle Bailey, APWU - California
Sharon Cornu, Alameda County CLC
Alan Clark, CSEA
Randy Ghan, Fresno/Madera/Tulare/Kings CLC
Jay Hansen, State BCTC
Steve Havens, IUPAT District Council 16
Matthew Kimbrough, AFTRA, LA
George Landers, UFCW Region 8
Doug Mangione, IBEW Local 441
John R McDowell, AFT Local 1521
Marsi Newman, IBT California Public
Affairs Councils
Sergio Rascon, LIUNA Local 300
Ed Rendon, Teamsters Joint Council 42
Laura Rico, AFT
Dave Stilwell, SEIU Local 1877
Joe Venegas, CWA 9510

Credentials Committee

Cindy Tuttle, OE Local 3, *Chair*
John Beaumont, NALC
Brenda Cohen, UNAC-AFSCME
Mickey Harrington, Butte-Glenn CLC
Jim Hilfenhaus, LIUNA Local 300
Sandra Berke Jordan, IATSE Local 705
Anes Lewis-Partridge, Napa-Solano CLC
Alex Mallonee, North Bay CLC
Judy Rapue, CWA 9586
Laurie Stalnaker, San Bernardino-Riverside CLC
Chrissie Unruh, OE Local 12
Marilyn Valenzuela, Tri-Counties CLC

Resolutions Committee

Nancy Wohlforth, OPEIU, *Co-Chair*
Sonia Moseley, UNAC/AFSCME, *Co-Chair*
Jovan G. Agee, UDW, NUHHCE-AFSCME
Dave Gillotte, IAFF Local 1014
Shelley Kessler, San Mateo CLC
Jacques Loveall, UFCW 8 Golden State
Chuck Mack, IBT Local 70
Betty Madden, IATSE 892
Ralph Miller, Los Angeles County Probation
Officers 685
Tim Paulson, San Francisco CLC
Cedric Porter, LIUNA No. CA District Council
Sue Potts, ATU 1704
Clyde Rivers, CSEA
T Santora, CWA Local 9000
Al Shur, IBEW 569
Dick Slawson, LA BCTC
Jim Smith, IBT Local 396
Jim Weitkamp, CWA District

Rules and Order of Business Committee

Mary Bergan, AFT, *Chair*
Joe Aredas, IATSE
Bob Balgenorth, State BCTC
Jim Beno, IAM District 190
Wayne Clary, United Steelworkers, Dist 12, Sub-District 1
Jim Gordon, CWA
Shelley Kessler, San Mateo CLC
Gunnar Lundeborg, Seafarers Union
Chuck Mack, Teamsters Joint Council 7
Willie Pelote, AFSCME
Clyde Rivers, CSEA
Alejandro Stephens, SEIU Local 660
Dean Tipps, SEIU State Council
Leo Valenzuela, LIUNA Local 585
Nancy Wohlforth, OPEIU

Ballot Measure Advisory Committee*

Nancy Biagini, CWA District 9
Ken Burt, AFT
Tim Cremins, California-Nevada Conference of Operating Engineers
Sharon Cornu, Alameda CLC
Damita Davis-Howard, SEIU 535
Phaedra Ellis-Lamkins, South Bay CLC
George Landers, UFCW Region 8 States Council
Jay Hansen, State BCTC
Patrick Henning, LIUNA
Barbara Howard, CSEA
Lou Paulson, CPF
Al Shur, IBEW Local 569

***Not a convention Committee**

Constitution Committee

Bill Waggoner, OE Local 12, *Chair*
Joe Aredas, IATSE
Bob Balgenorth, State BCTC
Jim Beno, IAM District 190
Wayne Clary, United Steelworkers, Dist 12, Sub-District 1
Jim Gordon, CWA
Eugene Hudson, AFGE 12th District
Don Hunsucker, UFCW 8 Golden State
Shelley Kessler, San Mateo CLC
Marvin Kropke, IBEW Local 11
Barry Luboviski, Alameda BCTC
Chuck Mack, IBT Local 70
Gene Massey, IUPAT District Council 16
Larry Mazzola, Sr., UA local 38
Sonia Moseley, UNAC / AFSCME
Lee Pearson, IAM & AW
Willie Pelote, AFSCME
Clyde Rivers, CSEA
John Smith, Laborers Local 1184
Alejandro Stephens, SEIU Local 660
Dean Tipps, SEIU State Council
Leo Valenzuela, LIUNA Local 585
Nancy Wohlforth, OPEIU
Perry Zimmerman, IBEW 12

Report of the Committee on Rules & Order of Business

Mary Bergan of American Federation of Teachers and chairperson of the Rules and Order of Business Committee announced that the committee had met June 21, 2006 and presented the rules to the convention. Her 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. Convening the Convention. The Convention shall convene at 10 a.m. the first day, July 25th, 2006, 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 1:00 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 26th, 2006, 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.

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

6. Committee Reports. All committees shall report on all resolutions submitted to them.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

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

15. 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.

16. 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.

17. 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.

Preliminary Report of the Committee on Credentials

Cindy Tuttle of Operating Engineers Local 3 and chairperson of the Credentials Committee announced that the committee had been meeting since July 24, 2006 and presented an updated roster of the delegates to the convention. Her motion to

adopt the preliminary report was carried by the delegates. She announced that she would be providing further updates as the convention continued.



Welcome Remarks

Tuesday, July 25, 2006

Maria Elena Durazo
Executive Secretary-Treasurer
Los Angeles County Federation of Labor

Good morning and Buenos dias. So on behalf of LA County Federation of Labor, I want to welcome of course all the leaders of the California Labor Federation and all of you who are delegates from all over California to Los Angeles. I want to thank you for your support of the LA labor movement, and specifically my first opportunity to thank you all for the support that you gave to my husband Miguel Contreras.

You know, he built and left a very special legacy in Los Angeles. One of the most important things he did was he changed the political landscape of Los Angeles to have a very deep and far-reaching impact in favor of hard working men and women. He specialized in targeting. And in that targeting, he said that those special candidates and the elected officials who win labor-targeted endorsement will get every ounce of energy that we could put together and the collective resources of an army of volunteers and money.

But see, he also targeted candidates that were unworthy of labor endorsements by aiming the same army to take them out and make sure they were not elected. As a result, just as one example of the results of that, we now have in the state assembly a speaker that holds the warrior standards established by the labor movement. He led the political program based on the needs of working men and women.

He said, "Don't let a candidate come to us, shake our hands, and try to tell us that they are labor friendly. We, the labor movement, will determine who is labor friendly and worthy of the hard work of calling voters and knocking on the doors, you know, at each election.

If you walk with the strikers outside of Vons and Albertson's, then you are labor friendly. If you support legislation to help the poor truck drivers to earn a decent standard of living, then you are labor friendly. If you support project labor agreements and good middle-class union jobs, then you are labor friendly.

And if you pull your business from a hotel that does not respect the hard work of dishwashers and cooks and housekeepers, then you are labor friendly. In Los Angeles we are getting ready to pull together our army to elect Phil Angelides as the next governor of the State of California.

Brothers and sisters, we will not forget the attacks on the pensions of firefighters and public safety workers. We will not forget that Schwarzenegger did that attack on fire fighters. We will not forget the attack on teachers. We will not forget the attacks on nurses no matter what he tries to do now to rehabilitate himself. We will not forget.

And it is with our brothers and sisters that we are here today, that we welcome you to let you know that in Los Angeles, we are prepared to put in whatever it takes this coming November to make sure that the people that we deem that we have decided are labor friendly are the ones that get elected. With that, we hope that we -- we know that we're going to have a successful convention because we've got a lot of work to do before November. Thank you very much.



President's Address

Tuesday, July 25, 2006

Connie Leyva
President, California Labor Federation

Thank you very much, Maria Elena. We are expecting the Mayor, but he is not here yet, so we will bring him up as soon as he arrives. So let me say to you all good morning again, and welcome again to the 26th Biennial Convention of the California Labor Federation. It is an honor and a pleasure for me to be here today as your president and as a member and representative of the UFCW. It was just two short years ago that you've bestowed upon me the honor of being your president.

We have seen many changes in the past two years, some good and some more challenging. What stands out most in my mind, though, is how resilient the women and men of the labor movement are. When we're thrown a curve ball, we always turn it into a base hit. We may not hit a home run every time, but we are on base working for people everyday. Some of you may remember in my first speech as president, I talked about unity and working together, that my fight is your fight, and your fight is my fight, and the importance of always working to make a difference.

Then just one year later, we saw seven unions, my union, UFCW, being one of them break off from the nation AFL-CIO to form their own federation, Change to Win. This change threatened to wreak havoc throughout the labor movement. For many months we thought we would not be able to defeat the governor in November. However, cooler heads prevailed, and even though it is still a very emotional issue for many, we have learned to play with the cards we have been dealt.

I speak specifically about the special election in November. Every person in this room went above and beyond to defeat the governor's proposals.

And it makes me so proud to bring a group like this. See, in life you are not challenged and adversities that come your way. You are judged by your ability to overcome those challenges. Each of you in this room has risen time and time again to meet the challenges that have been thrown and will continue to be thrown at labor. I think all of us in this room are waiting for a down year, because it seems like we haven't had one in a very long time. However, today, I'm going to challenge you to change your thinking. Because I've decided not to wait for a down year because, you know what, we're never going to have a down year. We must fight every year for working people every day. If you're of the labor movement, you're part of something bigger. And you have made a commitment to better the lives of working people everywhere.

And by taking the vow to be a laborer leader, you are choosing a lifestyle, not just a job that pays the bills. As leaders, because we are all leaders in this room, we are committing to help others 365 days a year. So there are no down years and there are no down days, because being part of the labor movement means you believe in what you do every single day.

Employers don't take a day off and say, "We're not going to take advantage of workers today. We're not going to violate any collective bargaining agreements today." Rather, we have seen our collective employers find more and more creative ways to take advantage of working people. So I've come to the conclusion that there won't be any down years, and that's okay. Because what we do every day is so good for working people.

However, with that said, do you ever wonder if you're making a difference? Do you ever sometimes feel that you're beating your head on the wall and you're not making a difference? Well, you are. I can tell you that it's easier said than done. But we must practice patience and we must be persistent. Patience is not my long suit, and I practice it every day. Let me tell you a little story about patience and how patience and persistence pays off.

All of you in this room remember the strike and lockout of 2003 and 2004 of our grocery workers with the UFCW. The 20-week strike was the longest and most costliest retail strike in the history of the labor movement. However, after our members went back to work, myself and the six other UFCW Southern California presidents presented evidence to the U.S. Attorney, Debra Yang, that Ralph's grocery company had illegally hired back workers during the strike, but they would only hire those workers back if they used a false Social Security number.

After more than two years of working with the US Department of Labor and the Department of Justice, tomorrow, Wednesday, Ralph's will plead guilty to the charges against them. They will pay 20 million dollars in fines to the federal government. And the best part is our workers who were locked out and didn't cross the picket line will receive 50 million dollars in backpay.

This is the largest settlement in the history of the labor movement of its kind. So when you feel like every day you're not making a difference, you are. Continue to be persistent, be patient, and the right thing will happen in the end. Ours also many times is a thankless job, so I would like to take the opportunity to thank each and every one of you in this room for what you do every day, and thank you for caring and making the world a better place for workers. But on those days when you feel you're not making a difference, let me just remind you that if we in this room, if all of us weren't working every day for labor, this is what we would have.

All of Arnold's propositions would have passed in November. Ralph's grocery company would still think they're above the law. Labor law violations will go unnoticed, and thousands more workers would be uninsured, and there would be no hope that minimum wage would ever be raised.

So in closing, I thank you all for the hard work that you do, and it's an honor and privilege for me to get to work with all of you every day. Thank you.



Welcome to Los Angeles

Tuesday, July 25, 2006

Antonio Villarigosa
Mayor
City of Los Angeles

Good morning. Welcome to the City of the Angels. It's a real honor to have you all here in Los Angeles with us today, and I know that you have a lot of work to do. I'm honored to be able to welcome you and all of the leaders who are here today.

As I was walking through the room, beginning with -- I mean, I know she's probably been introduced, but we can never introduce Delores Huerta enough because if there's one icon in our movement, one person who's transcended the decades and is as strong and vibrant and progressive and just filled with optimism for the future, it's Delores Huerta. Give her a big, big, big hand. My sister, the founders of the United Farm Worker movement.

Art Pulaski, thank you for that introduction. Thank you for your leadership. Art and I go way back from the very first years as an assembly member, majority leader, and then speaker and then council member and mayor. And I want to thank you for your leadership throughout the years and your efforts to raise an index, the minimum wage this year. Is that important?

All right. And of course, Maria Elena Durazo, who I've known for 38 years. And I can tell you-- can you imagine? She hates me to say that by the way. She hates me to say that. But in the 38 years that I've known her, student in college, law school as we were organizing immigrants, working in the labor movement, I worked on her first campaign for president, she worked for mine.

Throughout the years, we've developed a mutual respect and a friendship that has transcended our various chapters in our lives. And I'm very, very excited about the prospect of working with her in the coming years as the executive secretary of the L.A. County Federation of Labor, Maria Elena Durazo. Now, let me say that when you look at Los Angeles and the kind of city that it can be, this is a city of America's hope and promise. It's a city where we come from every corner of the earth. It's the most diverse city anywhere in the United States and maybe anywhere in the world. And because of that, it's a great experiment.

And when you look at the delegates here, the face of laborers change without question. It looks like Los Angeles, and that's important. Laborers always understood that to the extent to unite people in the workplace, no matter their color or their creed or their sex or their religion, that that is the key to the unity that you need, to the common purpose that's so important for every union. So I want to acknowledge the fact that you've come to this city.

I want to say to you that we're facing many challenges here in this city. Maria Elena wanted me to recount as I was walking up some of the challenges that we've had to endure over the last few years. You know, this is a town that -- is the ATU here? ATU in the house? Neil, will you stop calling my cell phone? Can you do that for me, Neil?

Let me just say, you know, three years ago, I helped to settle a strike with a group of employees at the ATU, the UTU, the TCU. Are they in the house? TCU as well. We did because these were folks who worked hard, were among the lowest paid mechanics and drivers in the region and increasingly in the country. We settled that at a time when there was gridlock on our streets.

Last year when there was a lockout, we put together -- working together with Maria Durazo and Martin Ludlow in an effort to avoid a lockout, get a win/win. This year the ATU and the UTU got a -- it was the first year in ten -- first time in ten years that we didn't go out on strike. First time in 20 years that we settled the contract before the end of the term.

And I can tell you we did because I understood that people deserve a fair wage. They were among the lowest paid mechanics and drivers in the country. They hadn't received a raise in a long time. I knew that it was my job and my role to play the role of the broker, the honest broker. And I feel very thankful that we were able to do that.

But also, if SCIU is in the house, I think -- SCIU is always in the house. Security guards will tell you that I played a role in finally getting an historic agreement with the McGuire property and Thomas property and then Equity, and then hopefully we're moving toward an agreement throughout the industry that will give security guards a living wage, that will give them more training, and that will make all of us safer.

I'm working on this issue of the schools. Let me just say, don't think for a moment every one of you that this isn't an issue that relates to you. Initially, the teachers weren't happy with my proposal, but now they're 100 percent behind it. We've got a partnership. But I can tell you this. My motivation from the very beginning was about the American dream. And let me tell you why.

When you look at the American dream -- and you've heard me say this many times - the key to the American dream has always been, I'll work hard, I'll sacrifice. Maybe I'm not working exactly in the job that I would like, but you know, it pays me a decent wage. I've got health care and benefits. And more importantly, I'm able to give my kids the education that they need so that they can have a better life. That's always been the dream.

If I asked any one of you here who are parents, not a one of you wouldn't raise your hands to the question do you want your kids to have a better life than you did. Now, we know if you read the paper -- but you don't have to read the paper. We just know anecdotally, you look at the city. It's a city of rich and poor. It's a city with an evaporating middle class. It's a city that in many ways is emblematic of urban areas around the nation, less and less of that strong middle that America has always been known for.

We know the union movement created, helped played a big role in creating that middle class, and we're losing it. Make no mistake. And in the long run, in addition to unionization, in addition to the many things the government could do like providing health care for people, like ensuring that we have a minimum wage, a living wage with people that work with our cities, a key to the future is ensuring that our kids are educated. Make no mistake.

We're putting together an effort right now to the building trades to provide more access for African-Americans in the construction trades. And we know that one of the issues without question is the issue of education. One of the issues is that when kids graduate, they can't read and write. One of the issues is that they're not graduating. Some 50 percent of the kids in our schools are not graduating. So make no mistake, this issue of education is a critical issue facing our time.

When we went to school -- and I'm looking around the room, many of you more or less my age. I can tell you when we went to school, a high school diploma, you know, was like a college diploma today. There wasn't the competition for jobs that there was -- that there is today. When we went to school, you could drop out and become a carpenter. You could become an electrician. You could become a truck driver and have a good job. Those days are over. You can't make it on a high school diploma anymore, much less a dropout rate.

If you look at the crime in our cities, if you look at the prison population, disproportionately, people without an education -- I often say when my security team gets a note on the Blackberry about a homicide, I say, "I'll bet you the person that shot those kids doesn't have a high school diploma can't read and write, has no hope, has lost this sense of the possibilities."

So make no mistake, this issue is a critical issue. It's I think the most important issue facing us today. And I believe it's a civil rights issue of our time when you look at the achievement gap between African-Americans and Latinos.

And so I want to welcome you today. I want to thank you for your support. I look forward to working with you in the upcoming gubernatorial campaign, working with you on the minimum wage and the many other initiatives, health care, supporting Sheila Kuehl's bill, which is so important. I want to tell you one of the things I tell Democrats -- many of you know I've been a national co-chair for the Kerry campaign, for the Gore campaign before that. Obviously, a leader in my party. I've said for some time that if we want to be a majority party, if we want to go from being a minority party to a majority party across the country, we've got to take up the issue of health care and say that health care is a right, not a privilege.

Stop tinkering around with drug benefits, with your good, you know, Medi-Cal changes which are good too, and deal with the fundamental issue, that every person in America, in a country this rich and prosperous, should have health care, should be able to have that as a basic right, not as a privilege. The only question is how we get there. So I want to acknowledge all of you. I want to thank you. I know you've got a lot of business to do, and you don't need to hear long speeches, but I am very thankful for your support over the years.

I've said many times you don't have, you know, 5,000 volunteers on election day in two different elections without the labor movement. You don't have the kind of support I've been able to enjoy in the last year without the partnership that we've had over the many years. My job, you know, is a little different than it was as a legislator, as mayor.

Obviously, from time to time, I have to be the honest broker, and a guy who can say no from time to time as well. But the goal always has to be that we're lifting more people up, that we're investing in people, that we're supporting the middle class, that we're saying that we should reward work because when you reward work, you provide the incentives for growth and for prosperity, which are key.

And finally, we have to abide by the principle that as we grow, as we prosper, we all have to prosper together. Thank you so much. Muchas gracias.



Guest speaker

Tuesday, July 25, 2006

John Garamendi
Insurance Commissioner, State of California
Candidate for Lt. Governor

As I walked in the room, I noticed the faces of friends for three decades. It is good to be with you. It is a joy to be here, and they got my back. And you have my side; right? The labor movement is such an important and incredible part of the State of California. I was in Reno Saturday with the IBW folks, and we were gambling.

No. And as I was speaking to them, the thought came to my mind that where would we be -- where would this state or this nation be if there were no labor movement? If there was no labor movement, there would be no middle class. This place that has created the greatest wealth anywhere in any time in the history of this world has been able to at least partially spread that wealth out through the population, and that occurred because of the labor movement. You are incredibly important to the very nature of our society and our economy, and you are incredibly important for the future. Because what's happened now or happening -- and we're living in this change. What's happening is that there is a philosophy afoot in this nation -- in fact, a philosophy that has gained the incredible power of the federal government, a philosophy that now controls Congress, controls the judiciary, Supreme Court, and the presidency.

It is a conservative philosophy that is anathema, the opposite of what the labor movement has stood for over a century. A philosophy that says the working men and women of this state, of this nation, have a rightful place to organize, to come together, and to negotiate benefits. It is a philosophy that is taking us in exactly the wrong direction.

Now, we may have problems with Bush. We sure as heck had problems with Schwarzenegger. But we need to go beyond that. We need to understand that the attack here is not only on the individuals that are in power, but it is that we must expose the bankruptcy of the conservative philosophy. We have to do that.

When the governor of the California picks up the mantra that we must starve the beast, what he's talking about is starving the ability of the working men and women to move into and stay in the middle class, and to move higher if they care to and if they have the ability to do so.

When you starve the beast, you starve one of the basic tools that we need as human beings as members of the American society, the tool of government, the tool that allows us to educate our children in a public education system. And thank God the California CTA and CFT fought the fight and said, "Wait a minute. Back off that philosophy of conservatism."

Mary, we thank you for your leadership. We thank you that you were able to bring together all of the men and women of labor and put down the governor's phony proposition last November.

We need to understand it's not just Governor Schwarzenegger that was there. It was the underlying philosophy that public education has no place in the American future as they see it. We need to also understand that that philosophy of conservative politics would do away with one of the most fundamental of all human instincts, and that is to care for each other's health, to take care of those who are sick, to provide those services that are necessary to survive, to live.

And so when they say that we ought not have a universal health care system, that we should depend upon the marketplace, that we should just allow the insurance companies to provide the benefits, they do not understand that that system doesn't work. And so when the labor movement puts together a proposition that says everyone in this -- every one in this state should have affordable and available health insurance, and they say, "Oh, no, it's a job killer," you know the problem is first an individual who leads, and secondly, and more importantly, it is the philosophy.

And so when we stand up and say that it is the progressive philosophy that says we must have a universal health care system, we're on the right track. They're on the wrong track. And we will change this. And it will come from the labor movement that we will finally establish –

That we will finally establish a universal health care system in this state that is effective and efficient. One that doesn't squander 30 percent of every dollar on administrative costs in the insurance system, and one that currently allows Blue Cross of California to have a 30 percent profit.

When the insurance industry is doing that, they are talking about Wall Street. They are not talking about the health care of Californians. We will change that. It is our destiny to finally establish a Universal health care system in this state and across this station, and it will be the labor movement that makes it happen.

My friends from the IBEW helped me. There is a fellow in Dixon, in Reno. He's a city councilman. He's on the IBEW. Mike I think his name is. We were talking after I gave a brilliant speech. And he said, "But you forgot to mention" -- and he said, "Let me share with you the story of Dixon, California." He went on to explain that he's a member of the IBEW; that he is an electrician, and that it is his vision that in that community, they ought to be using photovoltaic systems on every structure.

Must be a plumber. That there ought to be photovoltaic systems. He said, "When it is 110 degrees or 114 in the valley, those photovoltaic systems will provide the peaking power to keep the grids going." I said, "I think you're on to something

here." And he said, "But you need to understand that the current philosophy of the government as led by Republicans prohibits us from accomplishing that."

I'm telling you we must deal with this energy crisis issue. We see it in global change, yes. We also see it in the energy issues. And it will be a new day when we move forward, not only dealing with the global climate crisis, but also with the energy supply. And there are millions of jobs available as we move to these new areas.

I want to be your next lieutenant governor. I thank you so deeply for your support in the primary. You made it possible for me to win that primary, and I am deeply grateful.

And Bill Camp, when I win the general election, yes, I'll be with you in Honduras, and we will build photovoltaic systems in Honduras where the government actually wants them. We've got things to do. I'm in a tough election. My opponent Thomas McClintock is the most (boos from crowd) -- I don't think I need to say anymore. I think you got the message.

Okay. Tom McClintock is my opponent, and you've been very helpful. It's not just me in this election. It's not just Phil Angelides who will win the governor's office. And when we do this --

When Phil is governor, and when I am lieutenant governor, we will have the most powerful team in place to create a progressive philosophy that will dominate state politics. It's not a giveaway philosophy. It's a philosophy that recognizes that working men and women need the advantage, that working men and women need to have universal health care; that their children need a strong and viable public education system.

And as we look to the generations that follow, we will be dealing with the climate change issue and the energy policy, not only of this state, but of this nation. There are miles to go before this election is over. Whatever poll is taken due during the heat of the July day has no meaning in the cool of a November morning. So we will change what is existing today. We will do it by walking precincts. We will do it by organizing. We will do it by registering voters and explaining to California that there are two different paths.

You've got the actor on the path of conservative philosophies that do not build, do not allow the use of the fundamental tools that were given to us in our constitution in our American system. Or you've got the progressive philosophy that understands that we're in this together. That by working together, we can achieve a just society.

We can achieve a growing middle class rather than a shrinking middle class. And we understand that that will only be done with a strong and viable labor movement.

I thank you so very much for your support. I look forward to working with each and every one of you in the days ahead running up to the election and thereafter as part of a Democratic team that has all of the constitutional offices and continued power in the senate and the assembly. Thank you so very, very much.



Guest speaker

Tuesday, July 25, 2006

Phil Angelides
Treasurer, State of California
Candidate for Governor

It's great to be here. Thank you very much. Thank you so much from the bottom of my heart. Thank you all. And let me just say something. You have given me the extraordinary opportunity to be the nominee of the Democratic Party. I wouldn't be here without the help and support of millions of hard-working Californians.

And I want to tell you straight off, I'm going to give this everything I have. I'm going to fight each and every day until election day. I'm going to stand up proudly for our values. And come November 7th, we're going to defeat Arnold Schwarzenegger, and we're going to get our state back.

And I want to say something right now. To all the pundits and the doubters and the weak-kneed, and those who are more accustomed to retreating than going forward, I'm going to say to you what Harry Truman said to the Democratic Convention when he accepted the nomination of our party in 1948. I will win this election and I will make the Republicans like it.

All through this primary season, you stuck with me. We were counted out. We were counted down. We were left by the side of the road. But we won in the Primary, and we will win in November because we stood for a very different kind of California than the future that George Bush and Arnold Schwarzenegger have in mind for our children.

We stood for a California that gives our people more chances, not fewer, to climb the ladder of opportunity. We stand for a California that lifts the burden of hard-working families and doesn't just lavish more on those who have the most. And we stand for a California where we do the right things by the next generation. We give our kids more opportunity, more chances, not fewer.

We're going to win this election because we have something more powerful than all the tens of millions of dollars that Arnold Schwarzenegger and the Republican party can throw at us. You know, the Governor's agenda is as bankrupt as his Enron buddies. They're going to be pouring money in this State to try to keep the State in right-wing Republican hands. Well, we've got the power or our ideas. We've got the hopes and dreams of millions of Californians. We have the future on our side, and I'm ready to fight with you for that future.

A lot of people are counting on us in this race. I'm going to give it my all, and I need you to give it your all because so many people have their dreams in our hands. Kids who deserve a great education, young people who want to go on to learn a profession or trade or go on to college. Hard-working families who are struggling with rising gas prices and health care costs who just want to raise their families with dignity. They're all counting on us.

And after the attacks from George Bush and Arnold Schwarzenegger and that Republican machine, they are counting on us to deliver them once again to an era of hope. And I'm going to ask you to work your hearts out. But more than that, I'm going to ask you to do it with a real passion in your heart for what we can be. I'm going to ask you to work for and imagine with me a California that once again puts education at the top of our priority list so that every young child has the best teachers, the smallest class sizes, everything they need to succeed in the 21st century.

I'm going to ask you to work with me for a California where we help more kids go to college, we roll back college tuition fees, increase financial aid, we help young people, middle class families, achieve their dream.

I'm going to ask you to work for me, with me, for a California where we stand up to HMO profiteering, and we expand health care for working families in this state.

And most of all, I'm going to ask you to work with me and imagine a California that respects the millions and millions of people who go to work each and every day work at one job, two jobs, who are struggling hard so they can support their families with respect and dignity and retire with security. These are the forgotten Californians, the millions of Californians who have made us the richest society in human history, and we're not going to leave them behind.

We know what Arnold Schwarzenegger has done, but hey, I'm going to remind you. At each and every turn when he's had the chance, he's always sided with those who have the most. He's broken every promise he made to the people of California when he ran for election. This is a failed photo op governor who at each and every turn has acted against the interest of hard-working families. He said he'd balance the budget. He borrowed billions and sent the bill to our kids. He said he'd protect education, and he turns thousands of young people away from college and slashed money to the classrooms.

He said he would be the people's governor, and then he vetoed an increase in the minimum wage. he overturned the laws that would have given one million hard working Californians the ability to see a doctor. At each and every turn, this governor has sided with the most powerful special interest. He brought the lobbyists right out of the lobby and right into the governor's office, and we're going to kick them all out come November.

You've all seen -- you've probably seen on TV some of these ads with me walking backward. And you've probably seen me doing that moonwalk. Well, let me tell you something. So let me get this straight. Arnold Schwarzenegger is afraid I'm going to take California backward. Backward to a time when we had the best schools in the nation in the world.

Back where to a time when we had the best free public colleges and universities in the world.

Back to a time when you could work 30 years at your job and then count on a secure retirement.

Well, you know what? I'm going to take California right back to a new future.

With the clearest choice in a generation. So let's work our hearts out. Let's fight for our beliefs with a passion and principle because we know we're right. Let's get ready to fight for the future. I've said this many times before, and I'll say it again today. I'm a very lucky person. I grew up in a California of plenty. I grew up in a family that cared deeply about me. I had the chance to go to good schools. I never worried about the shelter over my head.

When I grew up, my father reminded me that for every advantage I would be given -- and I was given many -- he asked me to never ever forget the millions of people who struggle each and every day, sometimes working 15 hours a day who never get a break from anyone. He asked me to never forget. And I promise you, if you give me a chance to be governor of this state, I'll never forget.

I'll be the champion for all the people that have been left out and locked out and left behind. I'll be a champion for the millions of hard-working Californians who make our state great. And I'll be a champion for a new future for this state that's worthy of our children. To all of you, thank you from the bottom of my heart. Let's win this election in November. Thank you so much.



Secretary-Treasurer's Address

Wednesday, July 26, 2006

Art Pulaski
Secretary-Treasurer
California Labor Federation

In a Chicago stadium in 1932, Franklin Roosevelt stood before the Democratic National Convention to accept his party's nomination for the first time, and he pledged to leave it to the Republican leadership, far more skilled in the art, to break promises.

Arnold Schwarzenegger has proved himself to be a true Republican leader. Breaking promises is one of the few things this governor has proven he can do well. His back room deceit, silver-tongued trickery has, in the immortal words of FDR, interrupted our march for progress of real justice, real equality for our citizens. He has tried to sell us a false bill of goods. He's tried to convince working families that prosperity is a domestic product manufactured by a Republican president and governor. Nothing could be further from the truth. The truth is not a concept with which Arnold Schwarzenegger is well acquainted. Schwarzenegger has never met a promise he wouldn't break, and he's broken so many promises to working people that he'll need all six Hummers to haul them all the way at the end of his term.

We remember his first week he said to us eyeball to eyeball, "Don't worry. I will do no harm to your members. I'll fully fund education. We'll create 200,000 new jobs. I'll be the collectinator of Federal funds because I know George W. Bush." Well, he does, but he didn't. We know his litany of broken promises. And let's make no mistake that he will break more. Let there be no confusion about the new promises unless we stop him now.

There is one unmistakable truth in this campaign. There is no room under Arnold Schwarzenegger's cigar tent. His brand of prosperity is for an exclusive smoke-filled club. Only those at the top of the pyramid. Only those that he can enrich in order to further his own political career. California's working families are not allowed, not even in the back. But if you were to sneak a peek under the tent, you would find yet more duplicity.

Arnold Schwarzenegger rejects what FDR knew and what Phil Angelides is committed to. That true prosperity lies in the greatest good for the greatest number of citizens. Arnold does not seek prosperity for all. He seeks it for himself. And he uses political cover, hiding behind his wife's family coattails while he perpetuates old and false economic theories that favor the few and fail any trickle down to the many. Have any of our people felt that trickle? All we feel is a flood of lies. And now it happens that he thinks he can fool us again. From all he has said, we can easily compile the framework for Arnold's vision of California. Imagine a California where workers are subject to the stable of dreams of Arnold Schwarzenegger, a workplace that saves employers money, that protects employers from regulation, that cuts employers' taxes, where Workers' Compensation is a skeleton starved of all costs related to insurance practices.

Pensions are an antique, starved off by employers' new opportunities. Health care coverage is dwindling to zero, a thing of the past, too expensive for employers to pay for, so it's abandoned for the sake of the bottom line. But instead employers with Arnold's blessing are providing for a cafeteria of options. Employees can choose, but employees primarily will have to cover that themselves.

The free market libertarian dream of Arnold Schwarzenegger would be an irreversible catastrophe, and FDR warned of it long ago. He said that kind of practice will lead to a joyride on a rollercoaster headed for a tragic crash. Phil Angelides has a better path. And our job is going to be to communicate the realities of Arnold Schwarzenegger's broken promises to us and his promises to his corporate friends.

We saw yesterday when Phil joined us, a candidate who is genuine about his ideas and motivated by his ideals, a fair shake, a decent income, health care, and a pension for every hard-working person in the State of California. He's committed to it, and his life work is about making it real. He is actually a rare man as a politician, even amongst Democrats, because we rarely so often see a man with a vision and a drive to make it happen that is so much in concert with our shared dream about the future.

Angelides offers us a new deal. The Schwarzenegger promise is a raw deal. Together today we will say, "Let's take the real deal." It won't be easy. We beat him once. And it's going to be so important for us to remind our members that when they needed to, they fought back, and they defeated Arnold Schwarzenegger in his special election. It won't be easy because now Schwarzenegger has surrounded himself by the slickest of Bush's consultants, advisors who lie even better than he.

But he is no match for our resolve as we proved in Prop 75 if in fact we rise to the occasion. He's no action hero. He's barely an actor, and he isn't fit to run our state. And the stunt double is probably more fit than he for the job. It's time that Arnold Schwarzenegger be held to account for the broken promises and the lies that we've suffered and for his failure to help working families have security while he bent for the powerful will of his corporate cronies.

We know that working families elected him, and he abandoned them. And in the words of Roosevelt, this is more than a political campaign. This is a call to arms. His past is paved with broken promises. But our future is full of possibilities. Some people say that Arnold's pulled ahead. We have to remind ourselves that if we look back at the numbers in the Primary just two months ago -- one month ago, one week before Primary election day, Phil Angelides was ten points behind Steve Wesley. On election day, he won by four points. He gained what the pollsters thought was not possible, 14 points in one week.

And that was in part the work of us and our people. And Phil thanks us for that. But let's have a moment of honesty, please, as we look at each other and move forward. And that is that we didn't do enough in that Primary. We know because we collect the volunteer numbers. We collect on computer the number of phone calls that are made to our members. And, in fact, because we didn't do enough. And there's hardly a union here and hardly a leader here, including myself, who didn't work hard enough to help win in that primary. We didn't do the same job that we did in the special election last year.

So if we think of this as a call to arms, it really must be. We knocked Arnold down when he tried to destroy us. And do not believe for a minute that he's not intending to do it again. And we must pursue these next two months understanding that we have to have the juggernaut of our action as we did, not in the Primary, but in the special election of last November.

And if we do not, we will suffer more years of Schwarzenegger and what's after that. And they can destroy in that period of time, as FDR said, the path to progress. We have to remind people of every lie, of every attack, and that's why the work site program is going to be so important. We will have work site fliers for you that detail the comparison between Arnold Schwarzenegger and Phil Angelides. And we're going to ask you to be sure that you get at least three of them out to members. And maybe this cartoon will be one of them.

But we have to get the message, because people want to like Arnold Schwarzenegger. Don't believe they don't. The polls tell us that. And people forget because they want to feel harmony and they want to feel hope. And we have remind them that the only hope they have is to kick his ass.

And have off with his head like he would have done to them. And so we're going to ask you to really put everything aside that you possibly can beginning now, and go back and begin to engage in that work site flier, get those members activated and involved.

And with that, and only with that will we be able to get back on the road to progress that we all begun together years ago, protect our members, save our unions. Arnold Schwarzenegger is committed to our demise. But we have this new Strategic Planning Committee that we talked about yesterday among us because all of our leaders agree that we have to have transparency, and that is we have to challenge each other, locally with your unions, with our labor councils and our State Federation.

And so we hope that you will join us in this transparency in challenging each other to make sure that every link in this chain is strong enough to keep the chain strong. So we look forward to working with you on this campaign. We look forward to

seeing a lot of your members in the street, a lot of your members at the phone bank, a lot of your members engaged in this campaign telling the truth about the bastard that Arnold Schwarzenegger really is and the hope we have about Phil Angelides and them knowing who he is.

So thank you very much, and I look forward to this battle. It's going to be a tough one. Let's gird our loins and let's raise hell. Thank you very much.

Day Two Proceedings

Convention Called To Order

President Leyva called the Session of July 26 to order. Secretary-treasurer Pulaski introduced Phaedra Lamkins, from the South Bay Labor council. Phaedra Lamkins introduced Cindy Chavez, candidate for Mayor, city of San Jose.

Cindy Chavez, vice mayor of San Jose

Cindy Chavez talked about her goals for change and new leadership in San Jose, her strong union positions and the need for support to defeat her opponent who is running against the labor movement

Address by Art Pulaski

Secretary-Treasurer Pulaski spoke of the historic opportunity to defeat Governor Schwarzenegger and the necessity of the labor movement to work together at every level for the election of Phil Angeleides for Governor.

Legislation Committee

The committee met July 24, 25, 2006. A quorum was present at each of those meetings. The amended and late resolutions were passed out July 25 and 26, 2006.

Resolution No. 1 “Support Universal Health Care SB840, California’s Universal Health Care Bill by Sheila Kuehl.” Resolution No. 8. “Support for a human and fair workes’ compensation system that works.” Resolution 9 “support for quality education reform.” Resolution 10 “Supporting economic quality and civil marriage.”

Credentials Committee

The credentials committee produced and posted and updated roster of delegates.

In memoriam

Biennial convention adjourned, and COPE convention convened.

CWA Local 14904

Stanley Bonk
Richard Brown
Donald Burgum
Christian Carpenter
Leonard Ceglowski
Nellie Clouse
Walteen Corley
Neo D'Angelo
Lyman Day
Leonard Eastman
Edith Eaton
Charles Foulk
George Glaze
James Haase
Sara Hansch
Melvin Hansen
Howard Haynes
Sidney Heron
Edward Hipp
Kennett Hull
Berta Johnson
Haskell Johnson
Albert Johnstone
Ben Jonutis
Michael Kulsar
James Lake II
Jack Lettiere
Laurance Levy
August Miller
Joseph Molner
Ivor Newton
William Overstreet
Arnold Pearce

CWA Local 14904

Kenneth Porter
Aileen Regets
Harry Robinson
Samuel Rothman
James Russell
George Seaton
DeForrest Smith
Herbert Smith
William Smith
Louis Tury
Michael Zona

IATSE Local 800

Lloyd Henry Bumstead
Wm. Stewart Campbell
Charles Koon
Robert Laing
Joel Lang
Edward T. McAvoy
Norris Spencer
Brenton Swift
Harold Adler
Jack Beardsley
Mary Chaney
John Tod Coakley
Jonathan Curtis
Richard Dixon
Mark Elias
William Harris
Robert Lopez
David Rose
Katherine Saari
Robert Wolfe

IATSE Local 33

Milton King
Joe Rios
Peter Kunkle Sr.
William Walpin
Chester Modena
Carroll Collier
Carl Littleton Jr.
Robert Lacy
Mario Gonzalez
Robert Laumann
Eleanor Burton
Earlest Wilson
Carl Di Berardino
Theodore Vanderstaay Jr.
Johann Bauer
Don Trepp
Harold Jayne
Thomas Dyball
Boyy Grossklaus
Joseph Lopez
Joseph Privitier
Monte Hart
Julio Huitrado
Lawrence Baughman Sr.
Harold Kibbler

Richard Wilkerson
Daniel Hammer
James Crosby
Harold Lundgren
Gary Baccarini
John Porterfield
Robert Atchison
Brian Hall
George Degross
Charlene Morgan
Robert Etter Jr.
Roberto Quintanar
Richard Delong
IAFF Local 1230
Terry Werner
Lester Bartolomei
Zane Spomer
Rudolph De Mello
Otto Peterson
John Cox
Vernon Paulson
Ellen Schlegel
William Wilder
Mark Stratton
Robert Crowe
Willie Middleton
Clifford Lindgren
Kenneth Weltz
Richard Johnson
James Capra

IATSE Local 871

Jodi Rosner
Tricia Goken
Matthew Houbrick
Elizabeth Atkinson
Albert J. Pagonis
Malcolm Atterbury, Jr.
Pat P. Miller

IATSE 504

Jack Payne
Michael Honiker
Hughes "Ben" Hudnall

UFCW Local 373R

Alvin D. Avants

IBEW Local 234

John L. Borges
James V. Briscoe
Allen E. Clark
John D. Duygou
Joseph P. Eddings
Cory Frser
Harlan N. Ketchum
Carl L. Sahlberg

AFT Local 481

Sally Hanif
Tusi Matua, Sr.
Mary Lynne Valncia

LIUNA Local 724

Saun Wiggins
Joseph P. Gaytan
Raymond Schott
William Middleton
Steven Sult
Patrick Bray
Willie Bell
Robert Schmeck
Robert Miller
Rafael Romo
Joseph Meshelski III
James Nickles
Jay Brooks

IBT Local 350

Gregory Apana
David Fernandez

**Ventura Plumbers
Local 484**

Donald McCauley
Douglas Jordan
Michael Ausell
Robert Turner
Dat Ott
Ivy Heart
Louis Riddering
Willard Cook
Milton Fussell
Jack Strongmann
John Shern
Allen E. Haigler

Harry Watson
Stephen Alden
Allen E. Hellstrom
Thomas Fishburn

Sprinkler Fitters Local 709

William Axford
Aaron Foster
Alfonso Lachlondo
John P. Ladlka
Russell H. Parker
William M. Pratt, Jr.
Norman L. Swoboda

IUEC Local 8

Richard J. Bollinger
William G. Goddard
Nick M. Karavolos
Samual P. Keller
Charles W. Krieger
Peter W. Ruppert
Thomas C. Smith
Francois "Guy" Guenneville

IBEW Local 302

Robert J. Arno
Robert F. Bailey
Dean Beesley
Darryl V. Bodhaine
Gary L. Burlison
Donald O. Cox
Howard S. Doolittle
George Freitas
George L. Goodrich
Robert J. Holcolmb
Gene B. Hoye
Bryan R. Hunt
Don A Kaldunskiu
Charles W. Kemp
Henry J. Kruse
Frank J. Lamanno
Jack Liberg
Ricard M. Martel
Buri B. McKinney
John E. Mello
George M. Mitchell
William H. Montgomery
Robert A. Moran

Paul B. Morrow
Clarence E. Nagle
Aubrey R. Parks
Adolph H. Petersen
Roger R. Pilliger
Robert L. Roundtree
Edward L. Ryan
John C. Templer, Sr.
William H. Wagner
James P. Walker
James H. Welsh
Gerald M. Wharton

IATSE Local 728

Charles J. Hoffman
Clyde L. Taylor
Roy G. Beatty
Justin Rowan
Wilson E. Wooten
Roanld W. McLeish
Greg W. Gowdy
David W. Smith
John F. Baron
Timothy V. Laquinta
Clifton C. Hutchison
Jeffrey William Smith
Keith A. Gorman
John W. Atkins
Walter J. Brugger
Robert E. Thomas
James P. Porter
Ted Schwimer
Arvel Youngblood
Joseph A. Spitaletto
Henry C. Radyx
Wumm "Buddy" Bowles
John W. McLean
John C. Kirk
Gregory A. Pierce
William R. Tandrow
Murphy Wiltz
Brent Schreiber
Jerome F. Biron
Manuel S. Fernandez
Brian J. Hartley
John D. Wright
William W. Hana

ATU Local 1589

Charles Boykin
Eugene Flournoy
Peter W. Em
Johnny Mills
Stephanie Henderso
Cynthia Harris

**Plaster & Cement Masons
Local 300**

Turman Pipes
Al I. Norura
Kenneth Clay
Russell Bell
Jessie N. Thacker
Edward L. Lewandowski
John Scanlan
Joe Vittone
John Strauss
Peter W. Testa
Eric Albert
John Albert
David Snively
Dan Jordan
Fred V. Wendt
Charlie Land
Roy Criswell, Sr
John G. Costa
Russell A. Damos
Calvin M. Adams
Ramus V. Jensen
Venesio A. Flores
Anton Unger
William Dodson
Mark L. Seaman
Earl L. Wright
Ronald Ramirez
Stac W. Carey
James F. Haynes
Harry L. Brown
Louis Miller
Jack C. Cunningham
Charles L. Hendricks
Sandy Talley

Northern CA Mailers

Union Local 15
Burt Umstead

Edward Nilan
Ben B. Andrews
John Ulizzi
William Martin
George Male
Robert W. Uecker
Douglas A. Thompson
Donald Gergen
Cyril F. Coles
Donald D. Barr
William J. Mestrovich
Robert J. Marcellino
Ralph S. Miller
Melvin C. Picou
Peter B. Vorda

UFCW Local

1179
Eula Gamblin
Margaret Wegher
William Hansen, Jr.
Martha Pavlin
Pearl Meindersee
Scott Byll
Margie Aden
Rosie P. Rodriguez
Catherine Lipps
Ingo Huenninghaus
Genevieve Erickson
Angelina Carpetta
Larry Martellacci
Eric Meiser
Lorene Rucielcel
Ann Mompellier
Salvatore Puccio
Elinor Koller
Jeffrey Bryan
Minnie Harlan
Clement Elissondo
Steve Walton
Harry Nagel
Beatrice Martinez
Sandra Bota
Loretta Young
Betty M. Smith
Ruby Miller
Lewan Driver, Sr.
John Hatch

Petrina Galli
Paul Brown, Jr.
Josephine Sulpizio
Deanna Moreno
Mary Schaeffer
Jacqueline Hill

IBEW Local 18

Helen Bailey
Roger R. Besvold
Thomas Bolitho
Jimmy Buchanan
Ronald Cox
Karen David
Paul DeArmon
Lynette Dickey
Dennis Dubon
Cynthia Festich
Russell Fleming
Hoe Ha
Dennis Jardin
Walter J. Kepner
Richard Lenser
Darlene Mack
Mark Mathews
James Pettingill
Johnnie Roberts
Nathan Roberts
Roger Sebastian
Carlos Sobrino
Edmundo Sosa
Ramona Strickland
John Sulzen
Michael Tackett
Nathan Thomas
Daniel Wiedland
Joe Wohland
Emma Zukor

IBT Local 278

Mohmad Aboukaram
Jesse M. Callejas
Manuel Carion
Alfred R. Dominguez
Daniel Golden
Lenny Lew
Julio O. Rivera
Luis G. Sanchez

UESF Local 61

Sheila Baumgartner
James Burke
William Catalano, Jr.
Vicki Chin
Ruth Green
Shirley Huizenga
Jeanette Kim
Barbara Lorrain
Gary Matson
Bonnie Michalek
Florence Morodomi
Effie Pandell
Joan Sullivan

**Plumbers & Steamfitters
Local 159**

Jack Amaral
Kerry Brady
Will Crane
Chester Dale
William Evans
Earl Kavert
Alvin Keefauver
Michael Kolosey
Kenneth Maines
Oscar Neilsen
Forras Nelson
Edward Papac
Ian Queen Sr.
Thomas Rossi
Gordon Scrimgeour
James Tigard

AFT Local 1911

John Bullar
Brunie Cronk
Dr. Susana Gonzalez
Don Scanlon

**Pacific Coast Marine
Firemen Union**

Biko Hasan II

AFSCME Local 2167

Earl Milligan

IATSE Local 829

Justin Greengerg
James Echerd
Moss Mabry
Patricia Naderhoff
Paul Lopez

IBEW Local 639

Robert "Bill" Dodd
BlevMarcum
Lawrence Molinari
Allen Weipert
Richard Spencer
William " Bill" Papich
Jasper Aque
Ronald W. Hassard
William J. Teal II
Leo Woodward
Brent Musgrave
Walter J. Whitford

LIUNA 228

Ben R. Anderson
James E. Flanders
Earl Harrison
Alton L. Smith
Clarence Stevens
Gary Pitts
Dale Deimer
Leo Quigley
Chester Dilbeck

Painters Local 333

Earl Baird
Nathan D. Barlow
Joseph Calcara
Manuel F. Carriles
Leonard G. Harville
Teodoro Ibarra
Kermit P. Jackson
Gary B. Macdonald
Alexander Magana
W.E. Miller
C. Perkins Sr.
FA Shestakoff
Irvin J. Strauss
Willard I. Westberg

IATSE Local 767

James Bailey
Marilynn Frank

UFCW Local 770

Hugo Morris

OPEIU Local 29

James R. Airheart
Marlene Anderson
Rita Argenti
Leticia Astorga
Francis Auger
John Bruno
Patrick Buckley
Margaret Peggy Carriedo
Jenny J. Chung
Carolyn Dalziel
Geraldine Denobriga
Valerie Franklin
Jeanne P. Herman
John Ibarra
June James-Oriarte
Laura Kennedy
Jum Jo Kim
Shirley A. Lennon
Juanita Maisterrena
Roger Martin

OPEIU Local 29

Flois Oakley
Arlene K. Pichichero
Crocefissa Poor
Betty Rose
Allan Russell
Harold Simkover
Zeola Simon
Diona Thomas
Margaret Tuitasi
Sandra Ward
Edith Withington
Peter Wu
Diana Zee

In Memoriam:

Labor Leaders & Members

2004 through 2006

Bakers' Union

Local 85

Mollie Beck
Ronald Berry
Ignat Bolobnow
Ethel Bordenkercher
Nellie Boyden
Edwim Bremer
Anthony Cardoza, Sr.
Irene Coito
Cirillo Danti
Maxine Dodrill
Maria A. Garcia
Benny Golightly
William Gunst
Andrew Guyette
Niels Hansen
Minnie Helmuth
W.C. Horn
Willie Kollmeyer
Gerald Kurtilla
Harold McNair
Birtie Moore
Jim Mouer
John Muheim
Peter P. Ng
Ray Ohman
Oralia Olvera
Helen Peterson
Ella Phoenix
James Premock
Saul Sanchez
Todd Santos
John Shumaker
John Stout
Robert Strawmier
Josephine Wedge

IBEW Local 441

Walter Goerlitz
Earl "Stretch" Frysinger
Alvin F. Minor
Jeffrey Young
Wilbur T. Smith
Joseph W. Campanella
Kenneth I. Jones
Donald M. Carles
Robert M. Syverson

IATSE Local B-18

Walt Benz
Ed Hoss
George Smith
Rich Busse
Clarence Smith
Marilyn Naiman
Jon Palmer
Paul Garcia
Marian Urschel
Francisco Barron
Allen Walton
Patricia Stuart
Gary Brown
Bernard "Barney" Allen
Billy Lewis
Ross Morrison
Hugh Spear
Eric Laurent
Michael Bozarth
Ken Hurley Sr.
Eugene Bowers
Mark Schipper
John Fry
Dan Clayton
George "Lynne"
Cummings
Mike Fraire

IBEW Local 47

Feliciano Orozco
Ralph Medina
Andy Wong
James Putzear
Paul Brown
Terrance Walters
Quentein "Ed" Powers
Joe Zach Felts
Wade Richardson
Anthony Ellis
Oscar Guerrero
Jeffrey Brewer
Eddie Quintana
Jim Taylor
John Ramirez
David Moeller
John Cruz

UFCW Local 324

Curtis Nelson

OPEIU Local 3

Sarah - Reeve Olson

IATSE - Local 829

Justin Greengerg
James Echerd
Moss Mabry
Patricia Naderhoff
Paul Lopez

IRON Local 377

Edward Miles
Ramul Jamal
David Woicieszak
Dan Converse
Darwin Kinser
Jeffrey Rehling
Sean Keel
David Dildy
Warren Tidd
Melvin McVeigh
Melvin Dooly
Gary Faue
Michael Flavin
Tony Bugni
Ethan Johnson
Robert Homesley
Ronnie McGhee
Darrell Logeman
Jason "Stretch" Wilkins
Edward Tostanoski
Cam Wieger
Jerry Ferrari
Howard Tillman
Louis Knowlton
Clark Reason
George King
Charles Maulsby
John R. Rasmussen
Bruce Mathis
Angel Herrera
Michael Yerbic
Albert M. Jackson Jr.
Cliff Stevens
William Ellis
James Smith
Charles Bryan

Lyle Lampman
Conrad Saucedo
Harold Evans
Frederick Roche
Dennis Bladel
George Askew
Elmer Johnson
Dan Plaza

SEIU 1983

Maryellen Bailey
Richard Batty
James Bell
James Bell
Noel Bernath
Gladys Blacut
Antonio Calvo
James Carvallo
Hugo Chacon
Wayne Dominick
James Ettaro
Paul Feldhaus
Mary Gormly
Martin Hare Jr
Harry Honegger
Coleen Jarvis
Beverly Kees
R. George Kirkpatrick
A. A. Leininger
Phyllis Lindstrom
Gary Melton
Torri Minton
Miriam Monges
William Monson
Dale Nelson
Marvin Nelson
Richard Nelson

Mahmood Qureshi
Edwin Roberts
Amy Rocha
Mark Sekelick
Michael Smith
Lauren Sosniak
Raymond Sparks
Leah Vandeberg
Gustavo Vargas
Bruce Wilkin
James Winter
Russell Young

IATSE Local 729

Jay Brooks
Mark Elias
Paul Tony Gordon
John Lattanzio
Ed McEvoy
Charles Opie
Anthony Paronelli
Michael Stanley
Allen Smith

IAM

Frank Souza

**San Francisco Building
Trades**

Stan Warren

**Los Angeles Federation of
Labor**

Bill Robertson
Miguel Contreras

2006 COPE Endorsements

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 proposition, in a statewide general election on [Date].

Recommendations to the Pre-General Election COPE Convention of the California Labor Federation, AFL-CIO

Officers

State Constitutional Offices

Governor	Phil Angelides (D)
Lieutenant Governor	John Garamendi (D)
Attorney General	Jerry Brown (D)
Secretary of State	Debra Bowen (D)
Treasurer	Bill Lockyer (D)
Controller	John Chiang (D)
Insurance Commissioner	Cruz Bustamante (D)

Board of Equalization

District 1	Betty Yee (D)	District 3	No Endorsement
District 2	No Endorsement	District 4	Judy Chu (D)

United States Senator

Dianne Feinstein (D)

United States Congress

District	Candidate	District	Candidate
1	Mike Thompson (D)	11	Jerry McNerney (D)
2	No Endorsement	12	Tom Lantos (D)
3	Bill Durston (D)	13	Fortney “Pete” Stark (D)
4	Charlie Brown (D)	14	Anna Eshoo (D)
5	Doris Matsui (D)	15	Mike Honda (D)
6	Lynn Woolsey (D)	16	Zoe Lofgren (D)
7	George Miller (D)	17	Sam Farr (D)
8	Nancy Pelosi (D)	18	Dennis Cardoza (D)
9	Barbara Lee (D)	19	T.J. Cox (D)
10	Ellen Tauscher (D)	20	Jim Costa (D)
21	Steven Haze (D)	38	Grace Napolitano (D)
22	Sharon Beery (D)	39	Linda Sanchez (D)
23	Lois Capps (D)	40	Florice Hoffman (D)
24	Jill Martinez (D)	41	Dual: Louie Contreras (D), Jerry Lewis (R)
25	Robert Rodriguez (D)	42	No Endorsement
26	Cynthia Matthews (D)	43	Joe Baca (D)
27	Brad Sherman (D)	44	Louis Vandenberg (D)
28	Howard Berman (D)	45	David Roth (D)
29	Adam Schiff (D)	46	Jim Brandt (D)
30	Henry Waxman (D)	47	Loretta Sanchez (D)
31	Xavier Becerra (D)	48	Steve Young (D)
32	Hilda Solis (D)	49	Jeeni Criscenzo (D)
33	Diane Watson (D)	50	Francine Busby (D)
34	Lucille Roybal-Allard (D)	51	Bob Filner (D)
35	Maxine Waters (D)	52	John Rinaldi (D)
36	Jane Harman (D)	53	No Endorsement
37	Juanita Millender-McDonald (D)		

California State Senate

District	Candidate	District	Candidate
2	Pat Wiggins (D)	22	Gil Cedillo (D)
4	Paul Singh (D)	24	Gloria Romero (D)
6	Darrell Steinberg (D)	26	Mark Ridley-Thomas (D)
8	Leland Yee (D)	28	Jenny Oropeza (D)
10	Ellen Corbett (D)	30	Ron Calderon (D)
12	Wiley Nickel (D)	32	Gloria Negrete-McLeod (D)
14	No Endorsement	34	Lou Correa (D)
16	Dean Florez (D)	36	Mark Hanson (D)
18	No Endorsement	38	No Endorsement
20	Alex Padilla (D)	40	Denise Ducheny (D)

California State Assembly

District	Candidate	District	Candidate
1	Patty Berg (D)	35	Pedro Nava (D)
2	No Endorsement	36	Bo Bynum (D)
3	Mickey Harrington (D)	37	Ferial Masry (D)
4	Rob Haswell (D)	38	Lyn Shaw (D)
5	Brandon Bell (D)	39	Richard Alarcon (D)
6	Jared Huffman (D)	40	Lloyd Levine (D)
7	Noreen Evans (D)	41	Julia Brownley (D)
8	Lois Wolk (D)	42	Mike Feuer (D)
9	Dave Jones (D)	43	Paul Krekorian (D)
10	Jim Cook (D)	44	Anthony Portantino (D)
11	Mark DeSaulnier (D)	45	Kevin de Leon (D)
12	Fiona Ma (D)	46	Fabian Nunez (D)
13	Mark Leno (D)	47	Karen Bass (D)
14	Loni Hancock (D)	48	Mike Davis (D)
15	Terry Coleman (D)	49	Mike Eng (D)
16	Sandre Swanson (D)	50	Hector de la Torre (D)
17	Cathleen Galgiani (D)	51	Curren Price (D)
18	Mary Hayashi (D)	52	Mervyn Dymally (D)
19	Gene Mullin (D)	53	Ted Lieu (D)
20	Alberto Torrico (D)	54	Betty Karnette (D)
21	Ira Ruskin (D)	55	Laura Richardson (D)
22	Sally Lieber (D)	56	Tony Mendoza (D)
23	Joe Coto (D)	57	Ed Hernandez (D)
24	James Beall, Jr. (D)	58	Charles Calderon (D)
25	James Lex Bufford (D)	59	Elliott Barkan (D)
26	Kenneth Goeken (D)	60	Van Tamom (D)
27	John Laird (D)	61	Nell Soto (D)
28	Anna Caballero (D)	62	Wilmer Amina Carter (D)
29	No Endorsement	63	No Endorsement
30	Nicole Parra (D)	64	Paul Rasso (D)
31	Juan Arambula (D)	65	Rita Ramirez-Dean (D)
32	No Endorsement	66	Laurel Nicholson (D)
33	Robert Cuthbert (D)	67	Ray Roberts (D)
34	No Endorsement	68	Paul Lucas (D)
69	Jose Solorio (D)	75	No Endorsement
70	Mike Glover (D)	76	Lori Saldana (D)
71	Charlie La Chance (D)	77	Christopher Larkin (D)
72	John MacMurray (D)	78	Maxine Sherard (D)
73	No Endorsement	79	Mary Salas (D)
74	Roxana Folescu (D)	80	Steve Clute (D)

Ballot Measures

1A	Transportation Funding Protection. Legislative Constitutional Amendment	YES
1B	Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006	YES
1C	Housing and Emergency Shelter Trust Fund Act of 2006	YES
1D	Kindergarten-University Public Education Facilities Bond Act of 2006	YES
1E	Disaster Preparedness and Flood Prevention Bond Act of 2006	YES
83	Sex Offenders. Sexually Violent Predators. Punishment, Residence Restrictions and Monitoring. Initiative Statute.	No Recommendation
84	Water Quality, Safety and Supply. Flood Control. Natural Resource Protection. Park Improvements. Bonds. Initiative Statute.	YES
85	Waiting Period and Parental Notification Before Termination of Minor's Pregnancy. Initiative Constitutional Amendment.	NO
86	Tax on Cigarettes. Initiative Constitutional Amendment and Statute.	YES
87	Alternative Energy. Research, Production, Incentives. Tax on California Oil. Initiative Constitutional Amendment and Statute.	YES
88	Education Funding. Real Property Parcel Tax. Initiative Constitutional Amendment and Statute.	NO
89	Political Campaigns. Public Financing. Corporate Tax Increase. Contribution and Expenditure Limits. Initiative Statute.	No Recommendation
90	Government Acquisition, Regulation of Private Property. Initiative Constitutional Amendment.	NO

Ballot Measures

General Election 2006

LEGISLATIVE CONSTITUTIONAL AMENDMENT

Proposition 1A

Transportation Funding Protection. Legislative Constitutional Amendment.

Recommendation: YES

Protects transportation funding for traffic congestion relief projects, safety improvements, and local streets and roads. Prohibits the state sales tax on motor vehicle fuels from being used for any purpose other than transportation improvements. Authorizes loans of these funds only in the case of severe state fiscal hardship. Requires loans of revenues from state sale tax on motor vehicle fuels to be fully repaid within the three years. Restricts loans to no more than twice in any 10-year period. Fiscal impact: No revenue effect or cost effects. Increases stability of funding to transportation in 2007 and thereafter.

LEGISLATIVE BOND ACTS

Proposition 1B

Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006

Recommendation: YES

This act makes safety improvements and repairs to state highways, upgrades freeways to reduce congestion, repairs local streets and roads, upgrades highways along major transportation corridors, improves seismic safety of local bridges, expands public transit, helps complete the state's network of carpool lanes, reduces air pollution, and improves anti-terrorism security at shipping ports by providing for a bond issue not to exceed nineteen billion nine hundred twenty five million dollars (\$19,925,000,000).

Proposition 1C

Housing and Emergency Shelter Trust Fund Act of 2006

Recommendation: YES

For the purpose of providing shelters for battered women and their children, clean and safe housing for low-income senior citizens; homeownership assistance for the disabled, military veterans, and working families; and repairs and accessibility improvements to apartment for families and disabled citizens, the state shall issue bonds totaling two billion eight hundred fifty thousand dollars (\$2,850,000,000) paid from existing state funds at an average annual cost of two hundred and four million dollars (\$204,000,000) per year over the 30 year life of the bonds. Requires reporting and publication of annual independent audited reports showing use of funds, and limits administration and overhead costs. Appropriates money from the General Fund to pay off bonds.

Proposition 1D

Recommendation: YES

Kindergarten-University Public Education Facilities Bond Act of 2006

This ten billion four hundred sixteen million dollar (\$10,416,000,000) bond issue will provide needed funding to relieve public school overcrowding and to repair older schools. It will improve earthquake safety and fund vocational educational facilities in public schools. Bond funds must be spent according to strict accountability measures. Funds will also be used to repair and upgrade existing public college and university buildings and to build new classrooms to accommodate the growing student enrollment in the California Community Colleges, the University of California, and the California State University.

Proposition 1E
Disaster Preparedness and Flood Prevention
Bond Act of 2006
Recommendation: YES

This act rebuilds and repairs California's most vulnerable flood control structures to protect homes and prevent loss of life from flood-related disasters, including levee failures, flash floods, and mudslides; it protects California's drinking water supply system by rebuilding delta levees that are vulnerable to earthquakes and storms; by authorizing a \$4.09 billion dollar bond act.

**INITIATIVE CONSTITUTIONAL
AMENDMENTS AND STATUTES**

Proposition 83
Sex Offenders. Sexually Violent Predators.
Punishment, Residence Restrictions and
Monitoring. Initiative Statute.
Recommendation: NO RECOMMENDATION

Increases penalties for violent and habitual sex offenders and child molesters. Prohibits registered sex offenders from residing within 2,000 feet of any school or park, and requires lifetime Global Positioning System monitoring of felony registered sex offenders. Expands the definition of a sexually violent predator, and changes the current two-year involuntary civil commitment for a sexually violent predator to an indeterminate commitment, subject to annual review by the Director of Mental Health and petition by the sexually violent predator for conditional release or unconditional discharge.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Unknown net costs to the state, within a few years, potentially in the low hundreds of millions of dollars annually due primarily to increased state prison, parole supervision, and mental health program costs. These costs would grow significantly in the long term. Potential one-time state capital outlay costs, within a few years, in the low hundreds of millions of dollars for construction of additional state mental hospital and prison beds. Unknown but potentially significant net operating costs or savings to counties for jail, probation supervision, district attorneys, and public

defenders. The portion of costs related to changes in the Sexual Violent Predators program would be reimbursed by the state.

Proposition 84
Water Quality, Safety and Supply. Flood Control.
Natural Resource Protection. Park
Improvements. Bonds. Initiative Statute.
Recommendation: YES

Authorizes \$5,388,000,000 in general obligation bonds, payable from the state's General Fund, to fund projects relating to safe drinking water, water quality and supply, flood control, waterway and natural resource protection, water pollution and contamination control, state and local park improvements, public access to natural resources, and conservation efforts. Provides funding for emergency drinking water, and exempts such expenditures from public contract and procurement requirements to ensure immediate action for public safety.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: State cost of about \$10.5 billion over 30 years to pay off both the principal (\$5.4 billion) and interest (\$5.1 billion) costs on the bonds. Payments of about \$350 million per year. Reduction in local property tax revenues of several million dollars annually, about one-half of which would be offset by state payments to schools to make up their revenue loss. Unknown costs, potentially tens of millions of dollars per year, to state and local governments to operate or maintain properties or projects acquired or developed with these bond funds.

Proposition 85
Waiting Period and Parental Notification Before
Termination of Minor's Pregnancy. Initiative
Constitutional Amendment.
Recommendation: NO

Amends California Constitution to prohibit abortion for unemancipated minor until 48 hours after physician notifies minor's parent or legal guardian, except in medical emergency or with parental waiver. Permits minor to obtain court order waiving notice

based on clear and convincing evidence of minor's maturity or best interests. Mandates various reporting requirements, including reports from physicians regarding abortions performed on minors. Authorizes monetary damages against physicians for violation. Requires minor's consent to abortion, with certain exceptions. Permits judicial relief if minor's consent coerced.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Potential unknown net state costs of several million dollars annually for health and social services programs, court administration, and state health agency administration combined.

Proposition 86
Tax on Cigarettes. Initiative Constitutional Amendment and Statute.
Recommendation: YES

Imposes additional 13 cent tax on each cigarette distributed (\$2.60 per pack), and indirectly increases tax on other tobacco products. Provides funding to qualified hospitals for emergency services, nursing education and health insurance to eligible children. Revenue also allocated to specified purposes including tobacco use prevention programs, enforcement of tobacco-related laws, and research, prevention and treatment of various conditions including cancers (breast, cervical, prostate and colorectal), heart disease, stroke, asthma and obesity. Exempts recipient hospitals from antitrust laws in certain circumstances. Revenue excluded from appropriation limits and Proposition 98 calculations.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Increase in new state tobacco tax revenues of about \$2.1 billion annually by 2007-08, declining slightly annually thereafter. Those revenues would be used for various health and tobacco-related programs and for children's health coverage. Unknown net state costs potentially reaching the low hundreds of millions annually after a few years due to provisions for streamlining enrollment in the Medi-Cal and HFP. Unknown but potentially significant savings to counties on a statewide basis beginning in the near term for a shift of children from county health coverage to HFP, with unknown

but potentially significant costs to the state in the long term for ongoing support of expanded HFP enrollment. Unknown but potentially significant savings in state and local government public health care costs over time due to expected reduction in consumption of tobacco products and due to other factors.

Proposition 87
Alternative Energy. Research, Production, Incentives. Tax on California Oil. Initiative Constitutional Amendment and Statute.
Recommendation: YES

Establishes \$4 billion program to reduce oil and gasoline usage by 25%, with research and production incentives for alternative energy, alternative energy vehicles, energy efficient technologies, and for education and training. Funded by tax of 1.5% to 6%, depending on oil price per barrel, on producers of oil extracted in California. Prohibits producers from passing tax on to consumers. Program administered by California Energy Alternatives Program Authority. Prohibits changing tax while indebtedness remains. Revenues excluded from Proposition 98 calculations and appropriation limits.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: New state revenues annually – depending on the interpretation of the measure's tax rate provisions – of either about \$200 million or about \$380 million from the imposition of a severance tax on oil production, to be used to fund a variety of new alternative energy programs. Reductions of unknown amounts in: local revenues from property taxes paid on oil reserves, potentially partially offset by state payments to schools to make up their revenue loss; state revenues from income taxes paid by oil producers; and, potentially, state and local revenues from gasoline and diesel excise and sales taxes.

Proposition 88

Education Funding. Real Property Parcel Tax. Initiative Constitutional Amendment and Statute.

Recommendation: NO

Provides additional public school funding for kindergarten through grade 12 by imposing a \$50 tax on each real property parcel; exempts certain elderly and disabled homeowners. Funds must be used for class size reduction, textbooks, school safety, Academic Success facility grants, and a data system to evaluate educational program effectiveness. Provides for reimbursement to government entities to offset anticipated decrease in other tax revenue. Prohibits fund use for school administrative overhead. Requires school district audits and penalties for fund misuse. Excludes funds from Proposition 98 calculations.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Annual revenue of up to \$500 million from a new, statewide parcel tax with the revenue dedicated to specific K-12 education programs (such as class size reduction, instructional materials, school safety, and facility grants).

Proposition 89

Political Campaigns. Public Financing. Corporate Tax Increase. Contribution and Expenditure Limits. Initiative Statute.

Recommendation: NO RECOMMENDATION

Provides that candidates for state elective office meeting certain eligibility requirements, including collection of a specified number of \$5.00 contributions from voters, may voluntarily receive public campaign funding from the Fair Political Practices Commission, in amounts varying by elective office and type of election. Increases income tax rate on corporations and financial institutions by 0.2 percent to fund program. Imposes new limits on

campaign contributions to state-office candidates and campaign committees, and new restrictions on contributions and expenditures by lobbyists and corporations.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Increased revenues (primarily from increased taxes on corporations and financial institutions) totaling more than \$200 million annually to pay for the public financing of political campaigns for state elected offices.

Proposition 90

Government Acquisition, Regulation of Private Property. Initiative Constitutional Amendment.

Recommendation: NO

Bars state and local governments from condemning or damaging private property to promote other private projects, uses. Limits government's authority to adopt certain land use, housing, consumer, environmental and workplace laws and regulations, except when necessary to preserve public health or safety. Voids unpublished eminent domain court decisions. Defines "just compensation." Government must occupy condemned property or lease property for public use. Condemned private property must be offered for resale to prior owner or owner's heir at current fair market value if government abandons condemnation's objective. Exempts certain governmental actions.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Unknown, but potentially significant major future costs for state and local governments to pay damages and/or modify regulatory or other policies to conform to the measure's provisions. Unknown, potentially major changes in governmental costs to acquire property for public purposes.

Policy Statements

General Election 2006

Submitted by the Executive Council of the California Labor Federation, AFL-CIO

OVERVIEW

House prices are staggering. College tuition has soared. Gasoline has topped \$3 a gallon once again.

If the economy has “recovered,” as the experts claim, why are we struggling just to pay the bills?

That’s the question that millions of working families are asking themselves as the country moves through its fourth year of so-called economic “recovery.”

A sense of economic uncertainty is growing among American workers. Back in 1999, seven in ten workers said they were “hopeful and confident” about reaching their economic and financial goals. By late 2005, that figure had dropped to 43 percent. A majority of workers (54%) now say they are “worried and concerned” about achieving financial security.

The American Dream, where each generation surpasses the one before, seems more distant. Less than half (45%) of American workers feel that they are better off than their parents were at this point in their lives.

Workers’ anxiety is well founded. The much-touted economic “recovery” has meant a recovery in financial security for corporations and their over-paid executives, but not for workers. Corporate bottom lines have rebounded, but corporations are sharing less of those earnings with their workers than ever before. Wages are lagging behind the cost of living and worker productivity. Thousands of jobs are heading overseas. Layoffs and buyouts have become almost weekly news stories.

Here in California, corporations have shown they would rather silence workers than support us.

Businesses that claim they can’t afford to pay decent wages put millions behind Prop 75 in last year’s Special Election. Prop 75 tried to prevent labor unions from participating in politics while leaving Big Business untouched. It was a revisit of Prop 226 (1998), with the same right-wing extremists behind it.

For corporations, Prop 75 meant more power for them in Sacramento. If Prop 75 passed, they could slash corporate taxes. They could ship more jobs overseas. They could starve the public sector. They could jam through takeaways on pensions, job security, workplace safety, and wage and hour protections. Big Business dreamed that Prop 75 would mean corporate free rein over the California economy.

But California workers rejected a corporate monopoly on political power. We launched a massive grassroots campaign against Prop 75. We told the truth about the Prop 75 power grab. We revealed the right-wing insiders behind the initiative. And we mobilized millions of working families across California to say No on 75.

While we defeated Prop 75, we also beat back every other Schwarzenegger-backed takeaway on the ballot. The Special Election was a stunning defeat of Schwarzenegger and a huge victory for California workers.

It’s not only workers in California who are rejecting the corporate, right-wing agenda. In France, workers have poured into the streets to protest a new law taking job security away from young workers. In Latin America, pro-worker governments have won major electoral victories in Argentina, Bolivia, Chile and Venezuela. And in the U.S., nationwide demonstrations are calling for an end to laws that

force immigrant workers into the underground economy. Working people across the state, country and world are demanding a fair economy.

But a fair economy will remain out of reach in California as long as the current administration remains in Sacramento. Arnold Schwarzenegger has shown that he is willing to side with corporate interests every time. His campaign coffers are overflowing with record corporate contributions. His legislative agenda moves in lock-step with the California Chamber of Commerce. He has supported corporate tax breaks, vetoed long-overdue increases in the minimum wage, and even attempted to repeal our legal right to a meal break.

The future of the California economy is inextricably tied to the fate of the national economy. We also cannot win a fair economy without a new Congress. The cost of the disastrous war in Iraq – combined with Bush's exorbitant tax breaks for the rich – are dismantling the ability of the federal government to

fund the social programs needed by average citizens. The federal debt and the U.S. trade deficit have reached new heights under the Republican-controlled government. Our economy has become more and more dependent on foreign investment. It now needs both foreign oil and foreign capital to survive.

The time has come for a new economic vision. We believe in an economy that works for workers. We deserve a secure retirement and health care for our families. We believe in fair pay for a fair day's work. We call for workers to receive their fair share of any economic "recovery."

We need a new Governor who shares this vision. We need a new Congress that will get us out of Iraq and turn its attention to making the American economy work.

It's up to the labor movement to make that happen. We did it with Prop 75. We will do it again.

SUMMARIES

1. ECONOMY

This economic recovery isn't much of a recovery if you work for a living. Corporate bottom lines are fattening, but workers' incomes have not kept up with inflation. Thousands of jobs are heading overseas while corporations like Wal-Mart drive down wages for those here at home. Minimum wage workers are the hardest hit; they're earning 33 percent less now than they did in 1968 when inflation is taken into account.

We believe a fair day's work should earn a fair day's pay. Minimum wage workers deserve the chance to keep up. Corporations like Wal-Mart should be held accountable for driving down pay and eliminating health benefits. Failed tax breaks for the rich must be ended once and for all and replaced with policies that invest in our state and its people to really move our economy forward.

2. HEALTH CARE

California's health care system is in serious trouble. Nearly seven million Californians are uninsured. 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.

Labor led with a real solution to the health care crisis when we sponsored and passed Senate Bill 2 in 2003. Millions of voters stood with us when SB 2 became Prop 72 on the November 2004 ballot. The incredibly narrow loss of Prop 72 has only strengthened our resolve. We will continue to work to expand access, contain costs, and improve the quality of health care. All Californians deserve high-quality health care when they need it.

3. FAIR WAGES

Paying low wages costs not only workers and their families, it also costs taxpayers when underpaid workers are forced to rely on public programs to make ends meet. In addition to raising and indexing the minimum wage, the Federation supports local living wage ordinances, which 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.

Paying the prevailing wage on construction projects gives working families a way to climb the ladder to economic security. Bush's suspension of the prevailing wage law following Hurricane Katrina was an ugly reminder of his disrespect for this important standard. We will continue to support the efforts of the State Building and Construction Trades Council to defend the prevailing wage law. We will also oppose deceitful, right-wing attacks on wage and hour protections, and meal and rest period breaks.

4. TRADE POLICY

The Federation supports international trade, but we oppose so-called "free trade" arrangements such as the North American Free Trade Agreement, the Central American Free Trade Agreement, and the Free Trade Area of the Americas. We oppose the "free trade" policies of the World Trade Organization and the World Bank. These 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.

5. SOUND PUBLIC INVESTMENT

California's population is projected to grow dramatically. Between 2000 and 2020, our state will add 10 million people. But we lack the infrastructure needed to support our current population, let alone those to come. We appreciate that elected officials are finally confronting the state's public investment needs in the current bond discussions in Sacramento.

We support spending more on transportation and infrastructure, maintaining water as a public trust for the people of California, and re-regulating the utility

industry. We also recognize that our levees need repair and our hospitals need seismic upgrading to protect us in the event of a natural disaster. 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.

6. SUSTAINABLE REVENUES FOR PUBLIC INVESTMENT

Sustainable revenues are the core of sound public investment. President Bush's massive tax breaks for the rich, combined with the exorbitant cost of the war in Iraq, are leaving scarcer federal resources for public programs. Meanwhile, elected officials in Sacramento are once again looking to bonds to meet investment needs within the state. The Federation supports tax policies that ensure that wealthy individuals and corporations pay their fair share. State tax policy should also be more transparent. When tax expenditures are used as an economic development tool, good-quality jobs and community benefits should follow.

7. JOB SECURITY

Job security has become scarcer in today's economy. Corporations go to great lengths to chase down the cheapest possible labor. Too often they find it either abroad, or in the underground economy here in California. Contingent labor such as independent contracting is also on the rise, often producing unstable jobs with low wages and skeletal benefits.

We support legislation to keep jobs in California, especially those supported with public money. We support tougher laws and enforcement procedures against companies that force their workers into the underground economy. We believe in curbing employer abuse of independent contractor classification. We support eliminating the cost advantages that encourage employers to hire contingent workers.

8. ORGANIZING

The climate for organizing is hostile. 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 and captive audience anti-union meetings with their supervisors.

We celebrate those workers who refuse to be intimidated and fight to win a voice at work. We congratulate the thousands of workers at Cingular Wireless who now have a voice with the Communication Workers of America (CWA). We cheer for the academic student employees at California State University who have joined their University of California brothers and sisters in the United Auto Workers (UAW).

We also recognize that labor law reform is vital to future organizing success. We support legislation to make it easier for workers to win union recognition through card-check, 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.

9. EDUCATION

No investment is more vital to the future prosperity of our state than education. In the 2005 Special Election, Labor successfully defended the public education system against Arnold Schwarzenegger's attacks on funding for schools and job protections for teachers.

We will continue to support high-quality public education, from universal preschool through 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. We will continue to fight for greater funding at all education levels. We also believe that labor education should always be integrated into school curriculum.

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.

10. A SAFETY NET FOR WORKERS

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

The California Legislature overhauled the state workers' comp system over the past four years. After initially making a series of positive changes, the most recent reforms were mainly negative, including benefit cuts and restrictions on medical care. The Federation is working to fix the problems resulting from the 2004 workers' comp reforms. As new figures show insurance industry profits now soaring, we also continue to support re-regulation of the insurance industry.

Layoffs and illnesses are also times when workers may need a safety net to fall back on. The Unemployment Insurance Trust Fund has neared bankruptcy several times in recent years. 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. Labor will continue to fight to support these programs as a basic component of workers' rights in California.

11. WORKPLACE HEALTH & SAFETY

The Sago Mine tragedy in West Virginia was a devastating reminder of the high price workers pay for dangerous workplaces. 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. Workers – indoor and outdoor – should be protected against heat stress. Fines against employers for hazardous workplaces should never be a mere “cost of doing business.”

12. WORKING FAMILIES

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 only 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. We support a windfall profits tax on the oil industry to rein in gas prices. 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.

13. CIVIL RIGHTS AND LIBERTIES

Supporters of more fair and humane immigration laws took their demands to the streets in massive numbers in spring 2006. In a nationwide demonstration on May 1, tens of thousands of workers walked off the job and hundreds of thousands more participated in demonstrations and economic boycotts. The actions were sparked by two competing congressional proposals: one that would criminalize undocumented immigrants, and a second that would finally offer a path to citizenship. The Federation stands proudly with immigrant workers in support of legalization.

The Federation calls for an end to discrimination against all persecuted groups, including immigrants, people of color, gays and lesbians, the elderly, youth, people with disabilities, and women. The labor movement was built by people outside the mainstream of U.S. society and we will continue to stand by those communities and support efforts to fight harassment, intimidation and discrimination.

We also reject the Bush administration's efforts to use the "war against terror" as a cover for attacking civil rights and undermining civil liberties. The rights on which our nation was founded are as important in times of war as in times of peace. We remain ever-vigilant in protecting our civil rights, the backbone of a civil society.

FULL STATEMENT

1. THE ECONOMY

The current economic picture looks far rosier for corporations than it does for workers. In the last quarter of 2005, a greater share of the country's income went to corporate profits than in any year since 1968. On the flip side, the proportion going to workers as wages and benefits is shrinking. Never have the fruits of an economic recovery been so unevenly distributed between corporate profits and worker incomes.

It's no wonder that rich CEOs are toasting the economic "recovery" at \$10,000-a-plate fundraising dinners for George Bush. President Bush is also making sure those rich CEOs get even richer. A recent New York Times analysis found that the richest Americans benefited the most from the massive tax breaks President Bush backed in 2003. More than 70 percent of the tax savings on investment income went to the top two percent of earners. Taxpayers with incomes of more than \$10 million got an average \$500,000 investment tax break in 2003.

For workers, economic security feels even farther out of reach. Job creation is sluggish. President Bush boasts that the U.S. economy added 2 million new jobs in 2005. But what he doesn't say is that a normal economic recovery would have added more than twice that many. In addition, while the *unemployment* rate has fallen in the U.S., so has the percentage of people *employed*. Why? The devastating job loss of the early 2000s left many workers so dispirited that they gave up looking for work – and now are no longer counted as part of the unemployment rate.

Moreover, most of the much-heralded 2 million new jobs are Bush-style McJobs: poverty-wage jobs with little or no benefits. Here in California, the sectors that are creating jobs pay almost 30 percent less than the sectors that are losing jobs.

As a whole, most workers are actually seeing their wages *fall* during this economic "recovery." Since 2003, only the top five percent of wage earners have seen their wages keep up with inflation. For the rest of the workforce, inflation has risen faster than wages. This is the first time that an economic

"recovery" in the U.S. has taken money *out* of workers' paychecks.

And every year, health care takes a bigger bite out of our budgets. Those California workers who are lucky enough to have health insurance now pay more than a third of the cost of their premiums. With insurance prices soaring, it's no surprise that the number of Californians without insurance grew once again in 2005.

The critical manufacturing sector has also suffered serious setbacks. The recently announced layoffs and buyouts at General Motors will affect over 30,000 workers at the heart of the country's manufacturing sector. Meanwhile, Delphi, the nation's biggest auto parts maker, has announced plans to unilaterally slash jobs and wages for thousands of workers in shocking disregard for those workers' contractual rights.

The manufacturing sector is declining in California as well. California has lost nearly 20 percent of its manufacturing jobs over the past five years. In January 2001 there were 1,878,700 manufacturing jobs in California. By December 2005, that number had dropped to 1,510,600. The disappearance of over 350,000 manufacturing jobs has pushed thousands of California workers into lower-wage jobs – or out of the job market altogether.

The so-called economic "recovery" has left California workers in the lurch. The Federation is working to restore economic security. We are calling for greater accountability for U.S. corporations. We are working to increase wages for California's lowest-paid workers. We are fighting to achieve an economic recovery that benefits all.

Holding Corporations Accountable

Corporate America – and its right-wing political allies – cannot escape blame for the lackluster performance of the U.S. economy. Every year, thousands of California jobs are shipped overseas as corporations search for the cheapest labor to exploit. Public investment programs in California are stunted as many corporations skirt their tax responsibilities by underreporting their revenues to the state. And when employers refuse to increase wages, consumer spending fails to pick up speed.

Corporations like Wal-Mart drag California down the wrong economic path. Wal-Mart has become the symbol of how Big Business can damage local economies and communities. It is one of the wealthiest corporations in the world. In 2005, Wal-Mart's earnings topped \$315 billion and its profits surpassed \$11 billion. The company is six times the size of its biggest competitor, Target. After topping the Fortune 500 list for four years in a row, it is now second only to the oil giant Exxon in the rankings for the world's wealthiest company.

Despite its immense profitability, Wal-Mart insists on paying its workers poverty-level wages. According to *Business Week*, the average employee at Wal-Mart makes \$9.64 per hour, over a dollar less than the average starting wage for "retail associates" nationwide. Wal-Mart wages fall far below what is needed to support a family in California.

When it comes to health care, Wal-Mart's record is even more shameful. For years, Wal-Mart insisted that it offered generous health benefits, and denied that its workers relied disproportionately on public programs. But in an internal memo leaked to the New York Times in 2005, Wal-Mart admitted that nearly half of the children of its "associates" were either uninsured or relied on public programs like Medicaid for their health care.

The negative impact of Wal-Mart's poor labor practices stretches far beyond Wal-Mart employees. When Wal-Mart denies health care to its workers, taxpayers pick up the bill through public assistance programs. A UC Berkeley study estimated that \$10.1 billion in aid was given to working families in California in 2002. Most workers receiving the aid earned less than \$10 an hour, and one in five worked in retail. Nearly \$100 million in California taxpayer subsidies go to Wal-Mart alone, the study found.

Because of its huge size as an employer, the poor wages and benefits offered by Wal-Mart can depress wages and benefits across a local economy. The difficult grocery workers strike in 2004 illustrated the challenge of maintaining fair wages and benefits while Wal-Mart forces its workers to accept far less. And it's not only economies in the U.S. that are suffering the "Wal-Mart effect." Economists now believe that Wal-Mart's huge buying power for goods produced in China has depressed wages in the Chinese manufacturing sector.

It is no surprise that many local communities are fighting back when Wal-Mart tries to move in. When forced to compete with Wal-Mart, local businesses see their sales dwindle. Many end up shutting their doors altogether. In an absurd public relations move, Wal-Mart has recently announced plans to "support" local economies by allowing its local competitors to advertise in Wal-Mart stores.

The Federation believes that corporations like Wal-Mart should be held accountable to the communities where they locate. As the first step toward greater accountability, community members have the right to know the impact Wal-Mart has on their economy.

The Federation is sponsoring a 2006 bill that would look at the economic impact of supercenters like Wal-Mart. SB 1523 (Alarcón) would ensure that local governments have adequate information about the economic impact that supercenters have on wages, benefits, public revenues and retail competition in their city or county. SB 1523 would require an economic impact report to be completed prior to building permit approval by a city or county.

The Federation is also sponsoring AB 1840 (Horton). This bill looks more specifically at the cost to taxpayers when corporations like Wal-Mart rely on taxpayer-funded healthcare programs for their employees. AB 1840 would report the names of employers whose employees receive Medi-Cal or Healthy Family benefits. A similar bill sponsored by the Federation in 2005 was vetoed by Governor Schwarzenegger.

Corporations like Wal-Mart are driving our economy toward the low-road: low-wage, poor quality jobs. They stand in diametric opposition to how we believe corporations should act. The Federation will fight back against the Wal-Martization of California's economy.

We also urge California workers to stand up to corporate wrongdoing in all its forms. Recent examples abound of fraud and greed by unscrupulous corporations. Insider trading, the Enron debacle, and the discovery that mutual funds were allowing after-hours trading for their biggest clients: workers too often pay the price for these and other scandals. The Federation will support legislation that protects workers and consumers from unfair business practices.

Unions Now More Important than Ever

No one fights harder for a fair wage and decent working conditions than California's labor unions.

While union membership continues to decline around the country, aggressive organizing campaigns have held unionization rates fairly steady in California. Today, 16.5% of workers in our state are union members, compared to just 12.5% in the rest of the country. Public-sector unionism in particular distinguishes California from the rest of the country. Fully 53.8% of public employees in this state are union members, compared to just 36.5% across the country.

Recent campaigns have also demonstrated that support for unions stretches far beyond our membership. In 2004, we led millions of voters in a fight to protect our health care. Although we lost Proposition 72 by the narrowest of margins, 5.7 million Californians voted with California's unions.

Even more stood with us on Proposition 75. A solid majority of California's voters voted No on Prop 75, rejecting the right-wing attempt to silence the voice of working people. Prop 75 showed us that California voters will stand with the unions that stand up for them. It cemented the role of labor unions in California as leaders in defeating the Bush/Schwarzenegger right-wing agenda.

Unions are also more important than ever as the split between the "haves" and the "have-nots" widens in California and nationally. Only four states have a greater gap between rich and poor than California. Inside the workplace, the gap between the 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.

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. In 2004 we fought for a package of bills to prevent California jobs from going overseas. We have worked diligently to improve labor law enforcement, protect the rights of workers injured on the job, and defend workers' right to a meal break.

Economic Growth to Benefit All

Real economic stimulus programs are needed to create jobs and get our economy moving. We believe that public investment in California fuels economic growth.

We support economic stimulus programs that invest in our state's people and infrastructure. We support investment in education, which not only provides jobs, but also helps build a skilled workforce for future economic growth. 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 in the 1950s and 1960s. Without this sort of spending, our economy will languish. Spending today will create jobs and improve the overall quality of life for generations to come.

We also support policies that fuel the economy by putting more money in the pockets of working families. In addition to raising the minimum wage, we support local living wage ordinances. 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. We believe that increasing consumer purchasing power stimulates economic growth.

We oppose the right-wing's failed economic "growth" agenda of tax cuts for the rich and Big Business. Since 2001, President Bush and a Republican Congress have enacted a series of tax cuts amounting to an estimated \$860 billion. These cuts came with broad promises of job creation and economic growth.

But five years later, those results have never materialized. By nearly every measure – economic output, investment, consumer spending – the U.S. economy is lagging behind past economic recovery periods. Perhaps the greatest failure of the tax cuts has been on job creation. According to a recent study by the Economic Policy Institute, the modest growth in private-sector jobs since the tax cuts were enacted can be entirely attributed to jobs resulting from increases in military spending. In other words, these massive private sector tax cuts led to the creation of almost no private sector jobs.

Who pays the price for such a startling failure? American taxpayers. Tax cuts that do not spur economic growth do nothing more than drain revenues from public funds, expanding our national deficit. The Economic Policy Institute estimates that Bush's tax cuts have added \$900 billion to the country's national deficit. His irresponsible economic policies have become the enormous financial burden our children will inherit.

At the same time, the federal government is losing billions of dollars in revenue with the war in Iraq. Our country spends more on the military than the rest of the world combined. An April 2006 report by the Congressional Research Service estimates the cost of the war to exceed \$100 billion for this fiscal year alone. Assuming a phased withdrawal of troops, the report finds that the total cost of the war in Iraq and Afghanistan will exceed \$800 billion – \$250 more than the inflation-adjusted cost of the Vietnam War. Cuts in federal spending on social programs, inadequate monies for disaster relief (Katrina) and prevention (fixing California's levees), the attacks on Social Security: these are all clear evidence that we cannot afford both guns and butter.

We do not support tax breaks for big corporations or millionaires. It's time that big corporations and millionaires paid their fair share. If we want tax cuts, let's give them to those who are most likely to spend them and really stimulate the economy – low and moderate-income working families. We do not support the costly war in Iraq. We urge the state and federal government to chart a better course for the state and the nation.

2. HEALTH CARE

California unions have led the fight for better health care in California. In 2003, the Federation sponsored one of the most significant health care reforms in the country – Senate Bill 2 (Burton, Speier). By requiring employers of fifty or more workers to pay for health benefits, SB 2 would have expanded health care to over one million uninsured Californians, and protected health insurance for millions more. The law, signed by then Governor Davis in 2003, was heralded as the most significant health care bill since Medicare.

But no sooner had California workers won health care security than wealthy corporate interests stole it

away. Big Business placed SB 2 on the ballot for repeal in November 2004 as Proposition 72. To keep the law we had won, voters had to vote "Yes" on Proposition 72.

Corporations like Target, Macy's and McDonald's decided their money was better spent attacking Prop 72 than providing health care to their own workers. They poured millions into a campaign to scare voters into voting No on 72. Arnold Schwarzenegger also lent his early star-power to support of his corporate buddies. In the end, Prop 72 lost by the narrowest of margins – only 0.8 percent.

Despite its loss, Prop 72 gained more support than any other major health care reform in California's history. Nearly 6 million Californians voted Yes on 72, demonstrating the broad support for real solutions to the health care crisis. Prop 72 also paved the way for other major health care wins around the country. Numerous other states have proposed Prop 72-style bills. The Maryland State Legislature took a major step forward when it recently overrode a governor veto of the Fair Share Health Care Fund Act. The bill, which is now law, requires corporations with 10,000 or more employees to pay eight percent of payroll toward health care.

Voters also recently weighed in on another major health care issue at the ballot – prescription drugs. Two competing prescription drug measures appeared on the November 2005 Special Election ballot. Prop 78 – a do-nothing measure sponsored by the drug industry – and Prop 79, a consumer-labor sponsored program to provide real, enforceable discounts on medications.

This time it was the drug companies who funneled millions into the fight – and into the pockets of Arnold Schwarzenegger. Drug companies broke all the records, spending far more to defeat Prop 79 than had been spent in any ballot campaign in U.S. history. Prop 79 would have provided significant discounts on medications to low-income and elderly Californians. The drug industry spent \$80 million to block it.

No one is immune to the health care crisis in the United States. Prices are rising. Coverage is shrinking. If current trends continue, fully-paid employer health care may become obsolete. A recent survey found that an astounding 41 percent of middle-income people in the U.S. go without health insurance for at least part of the year. A March 2006

Gallup poll found that health care outranked social security, crime and other issues as the top concern of Americans today. Sixty-eight percent of Americans worry “a great deal” about finding affordable health coverage.

At the ballot box and at the bargaining table, California unions are fighting to protect our health care benefits. Health care remains the most contentious issue in labor negotiations in California. Employers are showing us that they are willing to put health care on the chopping block. It’s up to us to stop them.

The Federation will continue to fight for affordable, accessible, good-quality health care for all Californians.

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, and the vast majority are members of 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.

Access to health care is shrinking

More than 6.6 million Californians under the age of 65 are uninsured in California. The number of uninsured is growing, driven by the drop in employer coverage. Overall, employer-based health insurance coverage has declined from 72% in 1979 to 61% in 2004 for private-sector workers. In California, the frequency of job-based coverage is even lower, and falling. Only 57% of Californians received health insurance through their employer in 2004, down from 59% in 2000. Access to health care is even more limited for some populations in the state. Over half of Mexican immigrants – and two-thirds of Mexican immigrant children – are uninsured.

If California continues on its current path, the ranks of the uninsured will continue to grow. A UC Berkeley study has estimated that an additional 1.5 million Californians will be uninsured by 2010.

Health care costs are rising

The escalation in health care costs in the U.S. is staggering. Health care cost increases have neared double-digit rates throughout the past decade. As employers drop health coverage or shift more of its cost onto their workforce, workers are forced to shoulder a disproportionate share of the burden.

Why are costs skyrocketing? Market consolidation and industry efforts to improve profit margins are largely to blame. Insurance premiums, hospital charges and prescription drug prices are all growing at dramatic rates while profits in these industries soar. HMOs and health insurers in our state have the second highest profits in the nation, and compared to other states, less of our health care premiums are actually spent on medical services than anywhere else. Today, five HMOs and health plans in California now control over half the market. Lack of competition coupled with lack of adequate regulation has meant higher insurance prices.

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 system, 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.

Huge pharmaceutical companies are driving explosive growth in prescription drug costs. Spending in the U.S. for prescription drugs was \$179.2 billion in 2003, almost 4½ times larger than the \$40.3 billion spent in 1990. Increased spending has been driven by an industry marketing campaign to push consumers toward the priciest medications. Drug manufacturers spent \$11.9 billion for advertising in 2004, with \$7.8 billion (66%) directed toward physicians and \$4.0 billion (34%) directed toward consumers. Spending for direct-to-consumer advertising – typically to advertise newer, higher-priced drugs – was 15 times greater in 2004 than in 1994.

The strategy has worked for the drug industry. From 1995 to 2002, pharmaceutical manufacturers were the nation’s most profitable industry. In 2004, they

ranked third, with profits (return on revenues) of 16%, compared to 5% for all Fortune 500 firms.

Health care 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 several recent labor disputes have illustrated.

Employers have chosen to respond to higher costs by pushing them onto workers. In 2005, workers on average paid \$226 per month into their health care premium, nearly double the amount from ten years ago. 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 undercuts 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 goal is a single public insurance system that provides high quality health benefits to every Californian. We recognize, however, that we cannot wait for such a system to take hold. Immediate steps should be taken to expand access, contain costs, and improve the quality of health care in California.

The Federation continues to support the expansion of the employer-based health care system. Although employer-based coverage is shrinking in the U.S., it remains the foundation of our health care system. The Federation supports expanding this model to cover all working Californians, as was proposed in Senate Bill 2/Proposition 72. The Federation believes that health insurance should be a shared responsibility between employers, workers, and the government.

The Federation rejects proposals that place this burden unduly on the shoulders of workers. Punishing workers for failing to obtain health insurance they cannot afford will do nothing to expand access in this state. The Federation has actively opposed “individual mandate” bills in California. We are troubled to see the State of Massachusetts adopting this approach. The new Massachusetts program would force uninsured workers to buy coverage or face fines or higher taxes. Left to implementation is what constitutes affordable, quality coverage for working families that face the new requirement to buy health insurance.

The Federation also supports the following reforms to our health care system:

Protect the public health care and safety net systems:

- **Protect state programs to cover the uninsured.** Medi-Cal and Healthy Families provide critical support for low-income Californians. Both programs are experiencing fiscal problems. Healthy Families is likely to soon deplete its federal funding support, and reauthorization remains uncertain. County administration of Medi-Cal was cut by \$41 million in the Governor's 2006 budget proposal. The Federation supports full funding for these programs, and expanded eligibility to cover more of the uninsured, including immigrants. Up to a million seniors and people with disabilities in California who were covered by Medi-Cal and Medicare will now be forced to pay more for more restrictive drug coverage as a result of the Bush administration's ill-conceived Medicare Prescription Drug program. The state should cover these added costs until the federal program is fixed.
- **Provide greater transparency with public health care programs.** Too many employers are cutting back on health care benefits and shifting their workers onto public programs. We believe public health care programs would benefit from greater transparency to identify employers that disproportionately rely on these systems. The Federation-sponsored AB 1840 (Horton) is designed to achieve that transparency. AB 1840 would report the names of employers whose employees receive Medi-Cal or Healthy Family benefits while protecting the identities of the employees.
- **Fund public hospitals and community clinics at an appropriate level.** America's health care safety net is currently frayed, as competition with HMOs, shrinking budgets, and rising numbers of uninsured are undermining access to care for the poor and uninsured. We call for policy makers to maintain a viable safety net.
- **Fund hospital seismic safety retrofits.** The collapse of the health care system in New Orleans after Hurricane Katrina shows the need to ensure that California hospitals are able to

care for the injured after a serious earthquake. California's landmark hospital seismic safety laws will play a key role in preserving hospital services after an earthquake. However, some hospitals that serve large numbers of people who are uninsured or who have Medi-Cal coverage need the help of a state seismic safety measure to enable them to retrofit their hospitals as soon as possible.

Improve health care quality:

- **Improve staffing standards in health care facilities.** Health care facilities often intentionally understaff their facilities to boost their bottom lines. But understaffing is directly tied to higher rates of medical errors and lower quality patient care. Staffing standards are needed at all appropriate staff levels to ensure that caregivers are able to manage their patient loads.
- **Train health care workers better.** In an era of health care workers 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:

- **Stop employers and HMOs from shifting costs to workers and their families.** Employers are shifting costs to workers every day, increasing copays, deductibles and other out of pocket costs. Many workers can no longer afford coverage on the job because the workers' share of premium for themselves or their family is too high. High deductibles make coverage meaningless for many working families. It's not health insurance if the deductible is more than a month's wages. It's not health insurance if a

worker is bankrupt or homeless because of health care costs.

- **Make prescription drugs more affordable.** The prescription drug industry defeated a measure on the November 2005 ballot that would have provided drug discounts to low-income and elderly Californians. The Federation continues to support legislation to enact a state drug discount program that provides significant discounts on prescriptions for Californians in need. Many seniors now face the possible loss of their drug coverage due to Bush's disastrous Medicare drug plan. The Federation believes in a more accountable, transparent drug industry that provides greater access to affordable medications. We support the reimportation of drugs from Canada, restrictions on drug marketing, direct price controls on pharmaceuticals, improved evidence-based drug information, and broader access to generic medications. We support the repeal of Bush's Medicare legislation and its replacement with an affordable prescription drug benefit program for all seniors.
- **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. The California Health Care Coalition (CHCC), founded by the Federation's California Works Foundation, has spearheaded a campaign to bring Taft-Hartley trust funds together with other major health care purchasers to demand greater accountability from the health care industry. 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 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

All workers should expect to receive a fair wage for the work they do. But the hourly wage needed to support a family remains out of reach for millions of Californians.

Those working at the minimum wage are most in need of a raise. But it's not only low-wage workers who need a hand. The Federation supports living wages and prevailing wages to make sure that public dollars subsidize good-quality jobs. The Federation also believes that overtime, comp time and meal and rest period breaks are all part of fair compensation for a day's work.

Minimum Wage

Raising the minimum wage benefits not only low-wage workers, but also taxpayers and the economy as a whole.

Examples abound of economies that have done well with a higher minimum wage. In the restaurant industry, which adamantly opposes a minimum wage increase, employment has increased 8.9 percent since the 2001-02 minimum wage increases. During the same period, California's total private employment increased by 0.4 percent. In addition, a 2004 national study by New York's Fiscal Policy Institute found that those states with a minimum wage higher than the federal minimum fare much better. Between January 1998 and January 2004, the rate of total job growth was 50 percent higher in the higher minimum wage states compared to states in which the federal minimum wage prevailed.

Raising the minimum wage can actually stimulate economic growth – and save money for the state. The lowest-paid workers are the most likely to spend new disposable income, stimulating economic growth. As that money is spent on taxable merchandise and services, revenues into the state also increase. A recent UC Berkeley study found that increased tax revenues, combined with decreased use of public assistance programs, would significantly offset the cost of a higher minimum wage in California. According to the study, an increase in the minimum wage to \$7.75 an hour would *save* the State over \$2 billion.

Studies have shown that a minimum wage increase would also cost businesses little. According to a UC Berkeley study, raising the minimum wage by \$1.00 in California would increase operating costs of the average business by only 0.7 percent. Increased productivity and reduced turnover costs would also help absorb cost increases. In addition, minimum-wage jobs are among the least likely to leave the state. Most low-wage jobs are in sectors, such as retail or fast food, that do not face significant competition from out-of-state. If the price of a Big Mac goes up 10 cents, a consumer isn't likely to drive to Nevada to get it for less.

No one is having a tougher time in the current economic "recovery" than California's low-wage workers.

Since 2002, the purchasing power of the state's minimum wage has dropped by \$0.88, an 11.5 percent decline. The inflation-adjusted value of the minimum wage is 33.1 percent lower than it was in 1968. Seven of the ten fastest growing jobs in California pay less than \$11 an hour.

California's high cost of living makes supporting a family on a low-wage job extremely difficult, if not impossible. A November 2005 California Budget Project report looked at the actual cost of raising a family in California. The study found that an hourly wage of \$15.00 is needed to support a basic budget for a family with children and two working parents. That's just above the average wage in California, which means that millions of California families are struggling to get by with less. Fifteen dollars an hour is also more than twice the state's minimum wage.

Who are the 1.4 million Californians earning at or near the minimum wage? They work in homecare, nursing homes, and childcare. They pick fruit in the fields, wash dishes in restaurants, clean office buildings and fill retail jobs. Nearly 60% of these lowest-wage workers are Latino. A majority are women. Fifty-nine percent are full-time workers. And contrary to a common stereotype – most are not teenagers. Eighty-four percent are at least 20 years old.

California's minimum wage workers deserve a real raise – and a lasting solution. The prices of daily necessities are soaring in California, and minimum wage earners cannot keep up.

Between 2000 and 2005, the price of gas in California increased from \$1.66 to \$2.39 a gallon – a 44% increase – and is now above \$3 a gallon in much of the state. A gallon of milk in Sacramento went from \$2.91 to \$3.59 a gallon, a 23% increase. Annual tuition at CSU grew \$250 and the average cost of a year of childcare grew \$1,200.

Several states around the country "index" their minimum wage, which means the minimum wage rises with the cost of living. In those states, low-wage workers have a chance to keep up when their housing, gas and food bills rise. California workers deserve the same chance.

Public support for increasing the minimum wage is on the rise. According to a poll of 800 California voters conducted in November 2005, 73 percent support an increase to \$7.75 with indexing, while only 22 percent were opposed. Support also crossed party lines. Eighty percent of Democrats supported the idea, as did 76 percent of Independents and a solid majority of 62 percent of Republicans.

This year the Federation is supporting a package of bills to increase the minimum wage—and to index it to increases in the cost of living. Two bills – AB 1835 (Lieber) and SB 1162 (Cedillo) – would increase the state minimum wage from \$6.75 to \$7.75 over two years and then index it to the California Consumer Price Index.

Governor Schwarzenegger vetoed bills to increase the minimum wage two years in a row. The vetoes were done at the bidding of his Big Business allies who use poverty-wage jobs as a strategy to grow their bottom lines. This year Schwarzenegger continues to oppose a lasting solution to the minimum wage. He has decided to side-step the legislative process and has reconstituted the Industrial Welfare Commission (IWC), a body the Legislature defunded in 2004 because of its failure to meet its legally required consideration of the adequacy of the minimum wage.

The bottom line is simple: all workers deserve to earn a fair wage for a hard day's work. Arnold Schwarzenegger doesn't support that. We need a new Governor who will.

Living Wage

The Federation also strongly supports local 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. Over 120 communities across the country have living wage ordinances. Living wage campaigns have succeeded in close to two dozen California cities, including Los Angeles, San Francisco, Santa Cruz, San Jose and Oakland.

San Francisco's living wage bill 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.

Analyses of the living wage in San Francisco point to numerous other benefits of the ordinances. Employment has increased significantly among airport and home health care workers since the enactment of living wage ordinances. Annual turnover rates have also plummeted. Turnover has fallen 57 percent among home health-care workers and a startling 75 percent among airport screeners.

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

The Federation will continue to support living wage laws at the municipal, county and regional level. 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 administered, even if the resources came from the state government.

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.

Prevailing Wage

The prevailing wage was one of the issues where President Bush showed his true colors in 2005. In the wake of the Hurricane Katrina disaster, President Bush suspended the payment of prevailing wages in

four states devastated by the storm. The move was so callous it shocked even those of us who knew Bush was no friend to labor. Desperate hurricane survivors had already lost their homes, their livelihoods; some had even lost their families. Now they were stripped of their basic workplace rights as they struggled to start rebuilding their communities.

Union members did not take this attack lying down. We protested against the injustice perpetrated in the South. And we won. Public outrage about the decision forced President Bush to back down. In November 2005 he reversed his suspension of the Davis-Bacon Act for the rebuilding of the hurricane-ravaged South.

In California, 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. The prevailing wage law 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 Legislature saw the passage of State Building Trades sponsored SB 975, requiring that prevailing wages be paid when private projects receive taxpayer dollars.

Other Building Trades sponsored bills have leveled the playing field between union contractors and those that use temporary employees, including labor compliance programs in projects using school and water bonds. 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

In 2004, the Bush administration jammed through a series of anti-worker changes to federal overtime regulations. The new rules reclassified millions of workers as "exempt" from overtime rights. Although the rule changes had limited impact on California, thanks to higher standards that labor has won here, the regulations set a troubling precedent nationwide. The changes also followed a cynical attempt by Congressional Republicans to erode overtime rights by allowing employers to offer comp time instead of overtime.

When workers put in extra hours, they deserve to be compensated. The Federation opposes any efforts to infringe on workers' right 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.

Labor waged a successful battle to preserve daily overtime pay after the Industrial Welfare Commission rescinded it in the 1990s. Each year in Sacramento, Republican legislators introduce employer-sponsored bills to take away overtime protections. We will continue to vigilantly defend the eight-hour day in California. We will continue to oppose unnecessary mandatory overtime policies,

and we will support policies that curb abuse by supervisors and managers.

Meal and Rest Period Breaks

Do workers deserve to take a lunch break? Arnold Schwarzenegger doesn't think so. Only days before the Christmas holiday in 2004, Schwarzenegger issued a proposed emergency regulation that would have eliminated the guarantee of a lunch break for California workers.

The response from California's labor unions was immediate. Hundreds of workers from throughout California jammed into hearing rooms in early 2005 to protest the proposal. Workers from the construction trades, the hotel and hospital industry, the entertainment industry and many other sectors testified that losing their guaranteed lunch break would likely mean no lunch break at all.

While workers spoke out at hearings, the Schwarzenegger administration also issued a "video news release" about the proposed changes. The Administration claimed it was intended only to provide "information" about the proposed policy, but the "news release" amounted to little more than propaganda. The film showed fake union workers making implausible claims about the benefits of losing a guaranteed lunch break.

The video pieces were not only far-fetched, they were also illegal. In December 2005, a Sacramento Superior Court ruled that Schwarzenegger broke the law when he used public funds to produce his own propaganda. The judge ordered that the news releases be removed from the state's website, and barred Schwarzenegger from producing them in the future.

The lunch break rule changes had become a debacle. The public outrage against the rule changes, combined with the scandal of the video news releases, forced Schwarzenegger to back down. In January 2006, he retreated from his proposed lunch break changes, but has hinted he may try again.

The lunch break regulations reminded all of us who Arnold Schwarzenegger really stands for: Big Business. The Sacramento Bee called the proposed rule changes simply a "gift to employers." And which employer may have stood to gain the most? Wal-Mart. A class action lawsuit filed against Wal-Mart had charged that the company had systematically denied lunch breaks to thousands of

its employees. Wal-Mart attorneys tried to hide behind Schwarzenegger's proposed rule changes to defend their actions. But the courts sided against them. Only weeks before Schwarzenegger backed off his proposal, an Oakland jury awarded \$172 million to 116,000 Wal-Mart workers whose lunch break rights had been violated.

No workplace right is more basic than a lunch break. The Federation will staunchly defend workers' rights to take meal and rest periods during the workday.

4. TRADE POLICY

The current immigration debate should also consider the root causes of global migration. Most immigrants to the U.S. come from countries where the international development process has failed, and many are from countries where International Monetary Fund (IMF), the World Bank and ill-conceived trade policies have weakened countries' economies and labor protections. IMF policies have caused many public-sector workers to lose their jobs and union protections. NAFTA-style trade agreements have undermined agricultural economies in developing countries, leading workers to leave the fields and consider moving north. Without rising living standards abroad for workers and the poor, the pressure for immigration to the U.S. will continue and escalate.

The Federation supports international trade and rejects protectionism, but we also oppose so-called "free trade" arrangements such as NAFTA (the North American Free Trade Agreement), CAFTA (the Central American Free Trade Agreement), the FTAA (Free Trade Area of the Americas), as well as 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. 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 globalization 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, with disastrous outcomes 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 U.S. jobs. But today even the Department of Labor acknowledges that almost three quarters of a million U.S. 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 U.S. 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 U.S. 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.

Since labor's defeat on NAFTA, unions and their allies in the battle against free trade have learned from their fights. 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. The Free Trade Area of the Americas would cover all of North, Central, and South America except Cuba. It would bring 34 countries and a population of more than 800 million into a trade regime designed for the interests of large corporations. But protests and internal resistance have mired FTAA talks. On January 1, 2005, the deadline for the pact passed with no agreement. Now twelve years after it was initially proposed, an FTAA deal looks less likely than ever before.

But CAFTA did pass Congress in 2005. CAFTA expands the disastrous NAFTA model through Central America and the Caribbean. Wages in Central America are even lower than in Mexico, giving 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 will threaten workers' rights, drive farmers off land, and undermine democracy in those countries. It also includes services provisions promoting the privatization and deregulation of fundamental public services.

The passage of CAFTA was a difficult defeat, but the final vote count did demonstrate how the politics of international trade have changed. CAFTA was approved by Congress with a narrow two-vote margin, a major reversal from the landslide NAFTA vote. None of the Democrats in the California delegation voted in favor, thanks to aggressive lobbying from a coalition of labor, environmentalists and other grassroots groups in California.

Resistance within several Central American countries has also slowed CAFTA implementation. The agreement was supposed to go into effect on January 1, 2006. But as of March 2006, only El Salvador was ready to join. Of the five other countries that agreed to participate, four had yet to change a host of laws to bring them into line with the agreement. The fifth country, Costa Rica, had yet to ratify the agreement at all.

Unions in California will continue to expose the myth of free trade and push for a more fair global economy. We recognize that "free trade" is synonymous with corporate free rein over the 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 support 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.

We urge international solidarity, not the liberalization of trade laws, in the face of the global economy. We support innovative coalition efforts to transform the global economy, such as the unity between environmentalists, consumer groups and labor unions that fought against NAFTA and CAFTA. We support solidarity campaigns that use purchasing power to bring pressure to bear on companies that abuse worker rights, including the campaign to expose Coca Cola's human rights violations in Colombia. Multinational corporations can escape scrutiny only when we are divided.

We endorse cross-border organizing and international solidarity among workers. We believe that global unionism is the best answer to the system of global exploitation.

Here in California, we believe that workers that give a hard day's work should receive decent wages, benefits, job protections and other workplace rights. We believe workers should receive our fair share of an economic "recovery." We strive for the same standards for workers around the world.

The Federation will continue to fight for an economy that works for all workers.

5. SOUND PUBLIC INVESTMENT

California is expected to grow dramatically over the next decade. Between 2000 and 2020, our state is projected to add 10 million people. More than 800,000 will move into San Diego County alone by 2020.

This influx of people will need public services. Demands for schools, water, public transit, roads and housing will grow.

Right now, California is struggling to meet the needs of its current population, let alone those to come. Our roads and levees need repair. Our hospitals need retrofitting. Our schools need modernizing. Our public infrastructure needs serious, immediate attention.

The good news is that public investment has become a central political issue in California this year. California voters will have the opportunity to vote on four different infrastructure bonds that deal with transportation funding, educational facilities, levees, and affordable housing. The beginning of the year brought good news that state revenues were higher than anticipated. The Governor's budget proposal estimates that revenues from fiscal years 2004/05, 2005/06 and 2006/07 will be a combined \$9.2 billion higher than prior estimates. The Legislative Analyst's Office (LAO) forecast stands even higher at \$2.3 billion above the Governor's estimate.

Finally, it looks like California has a chance to get ahead. A sound investment plan will improve our schools, roads, and public transportation, and it should finally address our needs for hospital seismic upgrading and levee repair. The Federation supports these significant public investments.

Major public investment is the cornerstone of sound economic development policy in California. 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.

Californians need greater public investment in important services. We reject any attempt to grant the Governor more power to cut state spending. California voters soundly defeated Prop 76 in November 2005. This Schwarzenegger-backed proposal would have granted far more power to the Governor to institute unilateral, mid-year spending cuts. Similar provisions have appeared in the Governor's current budget proposal. Voters knew that Prop 76 could devastate public programs. The Federation calls on lawmakers to reject the Governor's repeated budget power grabs.

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, labor won legislation placing limits on how school districts contract out work. Numerous bills have attempted to repeal this legislation in vain. We will continue to defend these protections against contracting out in our schools and 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. 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.

State transportation funds remain unstable. 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. 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.

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 not replace 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 \$5,000 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. Escalating gas prices are only making matters worse.

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 U.S. workers. The Jones Act, the Maritime Security Act, the Passenger Vessel Services Act and U.S. cargo preference laws are key to maintaining the U.S. 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 ship owners 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.

The Federation supports the development of security measures that protect U.S. ports and transportation systems from terrorism, but the federal government overreaches with the Transportation Workers' Identification Credential. In particular, the government's heavy reliance on past criminality as a disqualifying factor is inappropriate criteria too broadly applied. The connection between criminality and terrorism risk is not well established, and it is unfair to penalize workers who have repaid their debt to society for a bad decision years ago. Accordingly, we urge the

Department of Homeland Security to use a criminal record in judging TWIC eligibility not by itself alone but only insofar as it contributes to the risk of terrorism.

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. Eighty percent 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 have lobbied to gain access to public bond funds. This hijacking of public resources would be an 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 have thwarted this effort, 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 for 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 moneymaking 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 supported Proposition 80 on the November 2005 ballot that would have re-regulated the utility industry in California.

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 Apollo Alliance seeks to generate energy policy and investment initiatives that will create jobs, generate clean energy with positive environmental impacts in our communities, and help create energy independence for California and the U.S.

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. We also support prevailing wage provisions for utility construction projects.

- **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 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.

6. SUSTAINABLE REVENUES FOR PUBLIC INVESTMENT

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.

Fair and Equitable Tax Policy

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 comes 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.

Meanwhile, corporations continue to find new ways to skirt their tax responsibilities. The Federation is sponsoring Assembly Bill 675 (Klehs) to call for greater corporate tax accountability. Corporations often inflate the income they report to shareholders (book income) and deflate the figures they give to the IRS and state tax agencies (tax income). One study found that U.S. corporations reported \$247 billion more in incomes to their shareholders than they reported to federal tax agencies in 1996. Double reporting standards misrepresent real corporate earnings to both shareholders and tax agencies. AB 675 would require corporations to report the difference between book and tax income or face severe penalties. This information is beneficial to FTB tax auditing efforts.

California lawmakers should make California's tax system more equitable and sustainable. We also 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 two-thirds vote of the Legislature required to increase taxes should be lowered.

- Demand full disclosure from each business of how much it pays (or doesn't pay) in state taxes.

Smarter Tax Policy for Economic Development

The Federation also believes that tax policy should be used carefully and responsibly as an economic development tool. California spends billions in taxpayer dollars on "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 officials 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 create quality jobs or meet other economic development goals. The Federation believes that economic development spending should produce measurable outcomes of good-quality jobs and other community benefits.

As January 2005 Los Angeles Times and Contra Costa Times reports pointed out how poorly tax credit programs can work. The report looked at state "enterprise tax zone" credits distributed in Oakland. The enterprise tax zone program is intended to attract businesses and create jobs in economically depressed areas. But the Times report found that the nearly the entire city of Oakland qualified as an "enterprise zone" due to outdated census figures. As a result, businesses in some of the most upscale parts of Oakland were pulling down millions in tax credits. The City of Oakland handed out \$27 million in questionable tax credits over two-and-a-half years according to the report. The Federation urges caution in the use of tax credits to prevent public funds from being spent without clear, positive outcomes.

The Federation also supports 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 any 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.

Meeting the goals of smarter economic development requires a better accounting of how economic development dollars are spent. The Federation advocates better design, closer scrutiny and comprehensive evaluation of state economic development incentives. 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 provide, 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.

7. JOB SECURITY

Every worker deserves to know that their job will still be around tomorrow. But job security has diminished in today's economy. The job reductions recently announced at GM were a disturbing reminder of how quickly jobs can vanish from a core sector of the U.S. economy. Competition from cheap labor markets abroad continues to pull jobs away from the United States.

The nature of our jobs has also become less secure. Employers are hiring more "contingent" workers.

They are hiring temp workers. They are contracting out. These arrangements free employers from any real commitment to their workers. Workers in these positions are also more likely to lack the health and welfare benefits they need.

Perhaps no worker feels more job insecurity the worker who is trapped in the underground economy. Employers who operate in the underground economy strip workers of all their legal protections. The current debate over immigration reform has brought attention once again to the millions of immigrant workers forced to work in the underground economy.

Job insecurity also makes workers more fearful. When a worker is discriminated against, denied overtime pay, or forced to work in a dangerous environment she or he may be less likely to speak up if they think their job is insecure. And we may be less likely to speak up in their defense if we fear losing our own. Job insecurity can silence our voice at work, the voice that is so critical to a strong union movement.

The Federation will continue to fight for job security for all California workers. We are working to prevent jobs from going overseas. We are fighting to stop contingent work from eroding the quality of our jobs. And we are dedicated to bringing workers out from the underground economy.

Offshoring

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.

Over 14 million service sector jobs in the U.S. are at risk of being offshored, as functions from paperwork to word processing to telephone answering are moved to lower-wage countries. Software and other technology jobs are increasingly being relocated to India, where highly skilled and well-educated workers can replace U.S. employees at a fraction of the cost. Some U.S. patients are even going abroad to have medical procedures done at a lower price.

Offshoring exemplifies the disconnect between employers and workers. An executive at Microsoft

told his department heads recently 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 U.S. workers.

The Bush administration has outraged U.S. 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.

The Federation has worked to prevent corporations from using public funds to export good jobs overseas. In 2004, we sponsored AB 1829 (Liu), which would have stopped the use of taxpayer dollars to create jobs in other countries. At least 25 other states have introduced similar legislation. We also sponsored AB 3021 (Assembly Labor Committee), which would have required any corporation doing business in California to report how many workers it employed in the state, in the country and abroad. AB 524 (Chan), sponsored in 2005, would have required state contractors to report back the number of workers they hire outside the U.S. and any information about the subcontracted work that is performed.

But Arnold Schwarzenegger vetoed all three of these bills. Schwarzenegger has claimed that he wants to create thousands of “fantastic jobs” in California. But when it came to protecting the jobs we already have, Schwarzenegger said no.

The Federation will continue to fight for job security and to prevent California jobs from going overseas.

Contingent Labor

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.

Contingent work often means lower wages, fewer benefits, unsafe working conditions and less job security. Contingent workers are less likely to receive benefits or pensions. Job insecurity is a particular problem for contingent workers, who are easy to eliminate in an economic downturn because of the

very nature of their employment. 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.

Contingent work arrangements are frequently used and at times abused by employers. The misuse of independent contractor arrangements illustrates the risks that contingent workers face.

Independent contractors are hired by employers under contract to complete specific work. Often they are paid by the job rather than by the hour. Since they are considered "self-employed," these workers are not eligible for state-mandated employment-related benefits, such as unemployment insurance and workers' compensation.

In theory, independent contractors are highly trained or specialized workers whose skills give them greater leverage in the labor market. But that's in theory, not in practice. Many employers are now misclassifying their employees as independent contractors to skirt labor and employment laws. Incredibly, workers doing piecemeal work in garment factories are sometimes treated as independent contractors.

What does independent contractor status mean for workers? It means they receive no medical care under workers' compensation if they are injured on the job. They have no state disability insurance benefits if they become seriously ill. They have no unemployment benefits when they lose their jobs. They have no right to job protection if they leave work to have a child. They have no right to organize a union, stop for a lunch break, take a sick day or even earn the minimum wage. Over 75,000 California workers were misclassified as independent contractors in 2003.

The Federation will continue to fight for legislation to curb employer abuse of independent contracting arrangements. We need to (1) require employers to file quarterly reports on all independent contractors;

(2) increase penalties for deliberate misclassification; and (3) streamline the administrative process to ensure that those who violate the law cannot evade justice through endless appeals. Such legislation will protect workers as well as those responsible businesses who classify their workers legally.

Independent contracting is often shrouded in the dangerous rhetoric of individual rights. Independent contractors have the "right" to work for themselves and the "privilege" to own their own business. But this language is often deliberately misleading. The abuse of independent contracting arrangements robs workers of their right to a secure job with real benefits. The Federation opposes any effort to erode job quality through the abuse of independent contractor classification.

California unions have fought back against contingent work in many forms. 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. The Federation believes that all workers deserve basic workplace rights, whether they are temporary workers, part-timers, independent contractors or sub-contracted employees.

The Federation also supports 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: wage and hour protections, health and welfare benefits, the right to a voice at

work, and assistance in times of an illness, layoff, or workplace injury.

The Underground Economy

Employers in the underground economy violate workers' rights by operating illegally. These employers 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. A 2002 report published by the Economic Round Table, a non-profit public research organization in Los Angeles, found that as much as 28 percent of the workforce in Los Angeles County is working in the underground economy.

Workers in the underground economy pay a high price. Many don't earn fair wages or overtime pay. Some are never paid at all. They are often 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. In the construction industry, the underground economy remains a critical problem, resulting in lower wages and appalling safety conditions. Workers in the underground economy are the victims of unscrupulous employers who take advantage of workers with few choices, and then intimidate them into silence about these abuses. Undocumented workers are most likely to be trapped into these no-win situations.

Workers in certain industries are particularly vulnerable. In the Los Angeles garment industry, fewer than 40 percent of employers were in compliance with labor laws during the 1990s. A 2005 survey of raisin workers by the California Rural Legal Assistance Foundation found that more than 70 percent of raisin workers failed to receive the state minimum wage when they worked for piece-rate wages.

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, state disability and

unemployment insurance, they must rely on public assistance programs if they are sick, laid-off, or hurt on the job. The underground economy is also estimated to cost the state \$3 billion a year in lost tax revenues.

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 believes that 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.

Many employers retaliate against workers who report violations to punish their vigilance and to deter other workers from filing complaints. 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 owed 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.

Governor Schwarzenegger created a new Economic and Employment Enforcement Coalition in 2005 to target the underground economy. The 61-member body is charged with educating employers and workers about labor laws and going after labor law violators. Under the auspices of the Coalition, sweeps have targeted industries including garment factories in San Francisco and carwashes in Fresno.

We appreciate this attention to the underground economy, but question Schwarzenegger's commitment to the issue. Although citations have been issued in these sweeps, the wage and hour violations rampant in the underground economy have been largely ignored. Only 17 minimum wage or overtime citations have been issued statewide and only 50 wage audits have been opened, none of which is completed.

Schwarzenegger has also denied the state new tools and additional funding to target scofflaw employers more systematically. In 2005, Schwarzenegger vetoed AB 875 (Koretz), a Federation-sponsored bill that would have required the Labor Agency and Franchise Tax Boards to develop protocols to allow certain labor law violations to trigger a tax audit of the employer. He also blue-penciled an additional \$3 million added to the budget for labor law enforcement.

8. ORGANIZING

California is home to more union members than any other state in the country: over 2.4 million California workers are union members. A union job still provides the surest path to economic security for California families.

California's unions continue to lead the country in unionizing public sector workers. Fifty-four percent of public employees are union members, compared to just 36.5% nationwide.

California has also seen recent progress in private-sector unionization. There were 80,000 more private-sector union members in California in 2005 than there were in 2004.

But a union job is still getting harder to find in the private sector for workers across the U.S. and here in California. Fewer than one in ten private-sector workers in California is a union member. Nationwide, fewer than one in twelve belongs to a union.

Why are unionization rates slipping? Increasingly ruthless employer opposition is largely to blame. Harassment, intimidation, threats and firings are more common than ever 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. Captive audience meetings, another common management ploy, further intimidate workers. Even when workers overcome these obstacles to win union recognition, 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 celebrates those who continue to organize in these anti-worker climates. We congratulate the thousands of workers at Cingular Wireless who have chosen union representation with the Communication Workers of America. Seventeen thousand former AT&T Wireless employees around the country, including several thousand in California, have now gained a voice at work at Cingular. For these workers, union representation means better health benefits, job security and career opportunities. We commend Cingular Wireless in its decision to remain neutral in the CWA organizing effort. Cingular chose the high road while its wireless competitors, such as Verizon, have refused to do so.

We also cheer the academic student employees who won union representation at all UC campuses in 2000. In 2004, an additional 6,000 academic student employees also won recognition with the United Auto Workers (UAW) at the California State

University campuses. These students are employees on whom the university relies, and deserve appropriate compensation and respect.

The Federation also calls for comprehensive labor law reform to pave the way for more organizing victories. 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.

The Federation supports the Employee Free Choice Act, which would put many of these changes in place. 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 violations of employee rights. Unions across the country have stood together to demand passage of the Act. The Federation also sponsored a resolution that passed the California Legislature in 2004 in support of the Employee Free Choice Act.

The Employee Free Choice Act is gaining steam. As of April 2006, the bill had 213 co-sponsors in the U.S. House, only five short of a majority. Forty-two U.S. senators are co-sponsors on the bill, nine fewer than the number needed for passage. Widespread public support for the bill has added Republican names to the list of legislative co-sponsors. (Fifty-seven million workers in the U.S. say that they would join a union if given the choice.) But Republican leadership has refused to let the bill come up on the floor. And the Bush administration's record on working people's issues gives us little confidence in his position. 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 sought to support workers' rights to organize. Governor Davis signed SB 75 (Burton) in 2003, which provides binding interest arbitration for farmworker contract 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. Unfortunately, another major Federation-sponsored bill to support organizing was found preempted by federal law. Had it been upheld in court, AB 1889 (Cedillo) would have prohibited companies from using state funds to interfere with workers' right to organize.

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.

9. EDUCATION

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.

In 2005, California voters stood beside our teachers and school employees to fend off Arnold Schwarzenegger's attacks on education. One of Schwarzenegger's many failed ballot initiatives would have weakened teachers' rights to job protection. Another would have led to reductions in school spending. In defeating these proposals, California voters demonstrated how highly we value investment in education.

The California Labor Federation believes our education system lies at the heart of our economic future. We stand 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 for the labor movement in California and across the country. Public education is the foundation of a democratic society. 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.

The students of our state deserve the finest possible education. They deserve the best teachers and staff, 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, California has ranked near the bottom in per-pupil spending, and teacher-student ratios are among the highest in the nation. Salaries are often 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 schools 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 well-trained and efficient 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 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 supports 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. Providing preschool for all should seem just as routine.

In the long run, California should provide high quality state-subsidized childcare linked to the public school system. This is the best way to assure that working parents have good, affordable child care, and that childcare 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, with the leadership of the Federation, the California Legislature established a statewide Institute for Labor and Employment (ILE), 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. Unfortunately, it has also been the target of partisan attacks in the budget process in Sacramento over the past few years. The Legislature, under the leadership of Assembly Speaker Fabian Nunez, again in 2006 included funding in the state budget for the ILE. The Governor sustained the \$6 million appropriation, returning the Institute to its full funding level. The Federation will now work with the UC Regents and the Speaker to rename the ILE the Miguel Contreras Institute for Labor Education and Research.

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 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 to make a living. 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 in 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 also believe state resources should be spent wisely on apprenticeship programs. Incredibly, the state spends tens of thousands of dollars a year on programs that don't graduate any apprentices. We support legislation to limit state funding to apprenticeship programs that actually graduate apprentices. We also support broader accountability in apprenticeship programs. Assembly Bill 2929 (Laird), sponsored by the SBCTC, would establish basic guidelines for the approval or expansion of apprenticeship programs. The bill would require that state apprenticeship programs demonstrate that they have suitable facilities to conduct training, sufficient employer commitments for on-the-job training and employment, and a workable selection criteria and recruitment plans for apprentice applicants. The bill helps to protect the \$151 million annual investment the state makes in apprenticeship training, as well as the investment that the industry and individual apprentices make in apprentice programs.

10. A SAFETY NET FOR WORKERS

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.

California's workers' compensation system has recently undergone a major overhaul. Long-overdue benefit increases were passed in 2002. Then, in response to skyrocketing workers' comp costs, the

California Legislature passed a series of reforms in 2003 and 2004. The 2003 changes were basically positive. The Legislature reined in exorbitant rates charged by outpatient surgery centers, curbed excessive charges for prescription drugs, and instituted medical treatment guidelines. But the 2004 changes were mainly negative, pushed through under the pressure of a draconian ballot measure supported by Governor Schwarzenegger. Benefits were slashed, for example, for workers on permanent disability. Now, while workers are struggling to make do with fewer benefits, insurance companies are raking in excessive profits.

The labor movement will continue to fight to preserve and expand safety net programs for working people. We will push for better funding for our strained unemployment system. We will work to preserve benefits for workers on state disability. We will fight to help injured workers get the care they deserve in the new workers' comp system. 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, 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” – became the provider 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.

When premiums rose, employers again cried foul and demanded change in Sacramento. Positive legislative changes were made in 2003 to rein in excessive profiteering in the workers' comp industry and introduce medical treatment guidelines. But employer groups were not satisfied, and they had found a new ally in Arnold Schwarzenegger. In 2004, Schwarzenegger enthusiastically supported a heavily funded ballot measure that would have decimated the benefits injured workers receive. In the end, Schwarzenegger backed off the ballot proposal, but only after negotiating a legislative package that included major cutbacks in benefits and restrictions on worker choice of medical providers. Soon after signing the overhaul, the Administration began to slash benefits even further through the rulemaking process.

The workers' comp overhaul has saved employers money. Insurance costs have decreased \$8.1 billion. Recommended premium rates have declined by more than 40% since 2003.

But the real winner in the workers' comp reforms has been the insurance industry. In 2004, insurers loss ratio was 36%, meaning for every \$1 in premium collected, insurers paid out only 36 cents in benefits. Reserves and overhead costs account for 23 cents, and the remaining 41 cents of every \$1 in premium went to profit. Never have workers' comp insurers posted such fat profits. Labor's continued efforts to re-regulate the workers' compensation insurance industry have fallen on deaf ears. Neither employers nor legislators seem willing to take on the insurance interests.

Meanwhile, injured workers are struggling to get by. In 2004, the Administration pushed through regulatory changes to the permanent disability system. The new rules were supposed to base benefit levels on the amount of wages lost by workers hurt on the job. But Schwarzenegger ignored these requirements. Instead, he pushed through new rules that slashed permanent disability benefits by a shocking 50 percent, far deeper cuts than the Legislature had intended.

Injured workers are also facing delays and outright denials of medical treatment. Insurance companies drag their feet to approve care, often sending doctor's treatment decisions to out-of-state physicians or insurance claims adjusters for review. Such common use of "utilization review" procedures undermines a doctor's ability to deliver timely and appropriate medical care. Insurance companies are also aggressively denying treatment based on narrow interpretations of medical treatment guidelines. Doctors are listed in employer-controlled medical networks without their knowledge or consent. Others must negotiate dramatic discounts just to be included in networks.

The end result is that injured workers are frequently not getting the medical treatment they need to cure and relieve their injuries and return to work. Too often, delays in medical care exacerbate injuries and keep workers suffering. Injured workers must be guaranteed timely and appropriate medical care. Utilization review must be performed by licensed doctors, not insurance company employees. Medical treatment guidelines used by workers' comp doctors to prescribe treatment must be comprehensive.

The Federation is working to protect workers' rights in this new system. The Federation is sponsoring Senate Bill 1730 (Perata) to provide a vehicle for a legislative fix to the permanent disability rating system. SB 1730 will require changes to the permanent disability system based on recommendations made the Commission on Health and Safety and Workers' Compensation. The Federation's SB 1781 (Alarcon) will allow for a legislative fix to guarantee that injured workers receive timely and appropriate medical care.

The right to see your own doctor is fundamental to a fair workers' comp system. Workers who have group health insurance have the right to "predesignate" their own doctors to treat them if they get injured at work. If workers do not predesignate, they are required to see an employer-chosen doctor. Thousands of union members have completed predesignation forms so that they may maintain their right to see their own doctors.

The right to predesignate is scheduled to sunset April 30, 2007. A new law must be signed this year to eliminate the April 30, 2007 sunset date. The Federation-sponsored AB 2068 (Nava) would

maintain a worker's right to predesignate his/her treating physician or medical group.

The Federation has a long history of fighting for the rights of injured workers. We won increases in workers' comp benefits 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 rose from \$490 per week in 2002 to \$840 in 2005; they remained at \$840 in 2006 due to stagnant wages in 2005. Permanent partial disability benefits were also increased. For lower rated injuries it was the first increase since 1982.

The Federation also believes that more comprehensive reform is needed to stabilize cost and ensure proper care in the workers' comp system. The Federation supports re-regulation of the workers' comp insurance industry. The deregulation of workers' compensation was the change that destabilized the industry for two decades. Regulation would stabilize costs and stop insurance industry profiteering.

The Federation also supports the long-term integration of the workers' compensation and standard medical insurance systems. An integrated system would eliminate duplication and provide more unified care for injured workers.

Until the workers' compensation system is fixed through legislation and ongoing litigation, unions and unionized employers have the opportunity to make it work better through collectively bargaining "carve out" programs. In 1993, the state Building and Construction Trades Council and the Federation succeeded in including a provision in a broader "reform" bill to allow union construction employers to negotiate modified workers' compensation programs with union bargaining representatives. These programs cover several elements of the workers compensation system, while leaving intact its basic protections. Labor and management can negotiate alternative dispute resolution systems generally consisting of an ombudsperson, mediation and arbitration; an agreed upon list of medical providers and evaluators; joint labor -management safety committees; and rehabilitation and return-to-work programs.

In 2003, we won the ability to negotiate carve outs in any unionized industry and in most of the public

sector. We also expanded the scope of bargaining to include the integration of temporary disability benefits with state disability insurance benefits, and the integration of workers' compensation medical treatment benefits with employer provided health benefits.

The Federation has sponsored several workshops on carve outs and we encourage unions to consider negotiating for them. Carve outs have proven to provide both better treatment for injured workers and significant cost saving to union employers.

A workplace injury can be devastating. 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.

That safety net has frayed in California. The Federation is determined to restore it.

Unemployment Insurance

Thirty million U.S. workers have been laid-off since the early 1980s in the United States. Corporate executives often use layoffs to make short-term cost cuts, but at the expense of long-term productivity. Many laid-off workers suffer lasting financial and psychological consequences.

Thousands of layoffs now pending at Delphi are the most recent example of the "slash and burn" corporate mentality. When it comes to "slash and burn," Delphi CEO Robert "Steve" Miller is a pro. Before coming to Delphi he stood at the helm of Bethlehem Steel. In 2003, he terminated health and life insurance benefits for 95,000 Bethlehem Steel retired workers and their dependents.

In an unstable job market, unemployment benefits are vital. California's UI system provides temporary benefits for laid-off workers who lose their job through no fault of their own. The Federation believes that all laid-off workers deserve a way to support their families until they can find another job.

California's UI system has recovered somewhat from a recent fiscal crisis. In early 2004, the UI Trust fund was forced to borrow from the federal government to pay UI benefits. Inadequate employer contributions were largely to blame for the fund's financial problems. Employer contributions to the UI system have failed to keep pace with increased wages and the cost of living in California. California

employers are paying the lowest UI taxes in 50 years when measured as a percentage of payroll.

The UI Fund paid back its federal loan, and the most recent forecast predicts that the fund will remain in the black through 2007. But even though it is no longer in the red, another dip in the labor market could easily put the fund back on the brink of bankruptcy. A long-term solution to UI financing is needed.

The Federation calls for reforms to the out-of-date 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. California must move from the current "pay-as-you-go" system to a "forward-funded" UI system. A "forward-funded" system 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. Senate Bill 40 (Alarcón) 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. The Federation opposes efforts by employer organizations 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 more than thirty-five states that index their maximum weekly benefits 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 create a dependent's allowance that would supplement weekly unemployment benefits

for claimants with a dependent child.

The Federation 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 childcare, or because of mandatory overtime.

Employer fraud in the UI system should not be tolerated. 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. In 2004, the Federation helped to pass Assembly Bill 664 (Lowenthal). This new law gives the state more tools to punish employers who engage in SUTA dumping.

Finally, the Federation supports a strong worker layoff notification system. In 2003, 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 more to do. 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.

State Disability Insurance and Paid Family Leave

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's groundbreaking paid family leave program is also housed in the SDI program. California is one of only five states with a state disability program, and the only state with a comprehensive paid family leave program.

Nearly 140,000 workers took advantage of paid family leave benefits in the program's first year alone. Because of paid family leave, these workers

were able to care for a new child or sick family member. Outreach efforts are spreading the word about paid family leave benefits as widely as possible.

The Federation congratulates the state employees who recently won coverage in the state disability program. After initially being excluded from the program, state employees beginning in April 2006 can now apply for state disability and paid family leave benefits. Over one hundred thousand state employees are now eligible for these benefits. The Federation supports the inclusion of all public sector workers in the SDI program, which can be done through the bargaining process. The Federation also believes that all workers who have paid into the disability fund, regardless of their citizenship, should be entitled to receive SDI.

The Federation supports fair benefit levels for SDI recipients. The Federation passed legislation in 1999 that pegged SDI to workers' compensation temporary disability 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 temporary disability benefits and indexed them to increases in the state's average weekly wage, so maximum weekly SDI benefits are now indirectly indexed.

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. Special legislation was required (SB 467, Scott) to provide disability insurance benefits for disabled PG&E employees and others in a similar situation.

11. WORKPLACE HEALTH AND SAFETY

On January 4, 2006 a massive explosion shook the Sago mine in Tallmansville, West Virginia. Twelve miners were killed. The lone survivor has yet to recover full brain functioning. The tragedy was made even more devastating when family members were

mistakenly told that their relatives had been found alive. Families learned their loved ones had been killed after hours of celebrating what they believed were “miraculous” survivals.

In the days that followed, federal investigators unearthed a deplorable record of safety violations at the Sago mine. Hundreds of citations for federal safety violations had been issued since the mine opened in 1999. Two hundred were issued in 2005 alone. Among the infractions were at least 16 related to failures to prevent or adequately monitor the buildup of explosive gases in the mine.

The Sago mine tragedy underscored the incalculable cost of unsafe workplaces. A good workers’ compensation system is important, but even more important is preventing workplace injuries before they occur. The Federation believes that a safe and healthy workplace is crucial for all workers.

Cal-OSHA is the backbone of workplace health and safety in California. Sixteen 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 also increased fines on employers that fail to notify the agency of a death on the job.

Today, we have fewer Cal-OSHA inspectors than fish and game inspectors. Governor Schwarzenegger, in 2006, line item vetoed an additional \$1.5 million augmentation supported by the Federation to fund more Cal-OSHA inspectors.

The Federation believes that employer fines for workplace hazards should never be considered a mere “cost of doing business.” Further investigation of the Sago mine tragedy revealed that the fines issued for safety violations were absurdly low. The highest proposed fine the government issued at the Sago mine was \$440 for one of the ventilation violations. Many of the violations prompted \$60 fines. That’s less than the cost of a speeding ticket, as one union representative pointed out. Fines must be high enough that employers find it worthwhile to clean up their workplaces.

Tragic deaths resulting from hazardous workplaces have also occurred recently in California. In the summer of 2005, several farm and construction

workers in California died while working in the scorching summer heat. The deaths prompted the enactment of a temporary emergency measure in the late summer of 2005 to protect workers from heat illness. The emergency measure was designed to ensure access to adequate supplies of cool water and shade for workers who are becoming ill, to provide training on the critical elements of heat illness prevention, and to require the Cal/OSHA Standards Board to review the feasibility of requiring shade for all rest periods. The Federation has worked with its allies to push for stronger protections in the permanent regulations that will go into place later this year. We also believe that the expansion of heat stress protections to indoor work is a necessary next step.

The workplace is an especially 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. Mexican immigrant death rates are rising even as the U.S. workplace grows safer overall. In the mid-1990s, Mexican immigrants were about 30 percent more likely to die than native-born workers; now they are about 80 percent more likely.

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 result from leaning over to hoe weeds for 8 or more hours a day. But many farmers then started to require workers to pull weeds by hand instead, which is just as hard on the back ... if not worse. Together with California Rural Legal Assistance, labor recently won a Cal-OSHA Standards Board regulation that now prohibits hand weeding in California.

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.

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 very useful for workers. The Federation will again petition the Cal-OSHA Standards Board to strengthen our state ergonomics standard.

12. WORKING FAMILIES

Union members are more than just workers. We are also family members, consumers, community members 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 childcare and elder care, and working schedules that accommodate family life.

Paid family leave was an important victory California's working families. 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. Because the benefits are employee-funded through the State Disability Insurance Program, paid family leave

doesn't cost businesses a dime. Nevertheless, the Federation has needed to defend the program against attempts by employer associations to weaken or repeal it.

The Federation supports other policies to make work and family easier to balance. We were instrumental in the passage of two state laws: one to allow workers to use sick leave to care for their ill children, and a second to provide all working mothers with reasonable break time and accommodations to pump breast milk. We also support expanding the federal 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, stepparents and stepchildren, foster children and siblings among the protected relationships. In 2001, we proudly helped to pass 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.

We support the consumer protection advocates in their fight for privacy protection in California. We applaud the work of consumer groups to block a new IRS proposal that would allow tax preparers like H&R Block to sell our tax return information. We also supported SB 1 (Speier), a landmark privacy protection measure in California that has unfortunately been stripped back by the courts. We urge labor unions in California to join the Consumer

Federation of California, an organization that has long recognized the connection between labor and consumer interests.

We oppose discrimination by insurance companies of all kinds. In 2003, we sponsored a bill that now prevents employers from cashing in on their employees' deaths with the purchase of "dead peasants insurance" (AB 226, Vargas/Koretz).

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. We are deeply troubled by the recent vote in the U.S. House of Representatives to wipe out state food-safety laws, including California's landmark Proposition 65.

We support a consumer's right to sue businesses that have acted illegally. We opposed Prop 64 on the November 2004 ballot. Prop 64 has made it more difficult for consumer groups, environmental organizations and labor unions to file cases under the Unfair Competition Law (Business and Professions Code Section 17200).

The Federation supports the regulation of goods when necessary to protect consumer interests. We have learned major lessons from the failed deregulation of California's public utilities. 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:

- **Rein in escalating gasoline prices through windfall profit taxes on the oil industry.** Workers in California drive longer commutes than workers in any other state. We support

windfall profit taxes on the oil industry to stop the price gouging at the pump.

- **Abolish false and misleading advertising and require food labels to show ingredients, nutritional values, expiration dates, and 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 U.S.A 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. The median home price rose nearly 14 percent in California over the past year alone. In 2006, the price of a median home now tops half a million dollars. Only 14 percent of California families can afford to buy a median-priced house.

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 public housing and the Section 8 program, which subsidizes rental payments for tenants who are seniors, very low-income, or live with disabilities. These changes 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 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. Unfortunately, the Prop 46 programs are running out of money, and some, like the farmworker housing program, are already depleted.

Multiple initiatives are under consideration to boost investment in different segments of the housing market. An allocation of \$1.45 billion for affordable homes and shelters has been part of the current bond discussions in Sacramento. Housing advocates are co-sponsoring a bill (AB 2638, Laird) to generate additional funds for the Local Housing Trust Fund Program. And lobbying efforts are underway to

target some of the funds from the November 2004 Mental Health Services Act (Prop 63) to support affordable housing for the mentally ill.

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 law.

We also support the following policies:

- **Revive rent control.** In California, rent control laws are weakening. With the notable exception of the 2002 Just Cause eviction victory in Oakland, rent control ordinances are eroding under pressure from property owners seeking more control over their rental units. 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.** We 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.
- **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 years, 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.

• **Pursue smart growth development.** Economic development activity should 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.

13. CIVIL RIGHTS AND LIBERTIES

Immigration reform captured public attention in the first months of 2006. Throughout the spring, protestors filled the streets to demand better treatment of undocumented immigrants. The size of the protests stunned even event organizers. Half a million people marched in the streets of Houston in April in the biggest demonstration in Texas history. One in six Denver residents rallied in that city as part of the nationwide demonstration on May 1. Huge rallies took place in Sacramento, San Jose, San Diego, Los Angeles, and Oakland. Workers walked off the job to call attention to the contributions that immigrants make to the economy. Students left their classrooms in courageous support of their undocumented friends and family members.

Proposed immigration reforms at the federal level sparked the demonstrations. The extreme right of the Republican Party had pushed HR 4437 through the U.S. House. The bill was designed to criminalize both undocumented immigrants and individuals who tried to help them. Right-wing groups were also pushing for increased militarization of the border, and for the absurd idea of constructing a wall between the U.S. and Mexico. Meanwhile, the Senate had considered a proposal to offer a path to citizenship for thousands of undocumented immigrants. To date, Congress has yet to pass real immigration reform.

The Federation is proud to stand with immigrant workers in support of legalization. We are energized by the powerful show of support in the streets for

immigrant rights. We reject the anti-immigrant rhetoric that seeks to divide workers against each other. We understand that when a worker is pit against another worker, it is only the boss who wins.

The Federation stands with all groups who experience persecution, and we call for an end to discrimination of all types. 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. 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, the 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.

The Federation also believes that the protection of civil rights and liberties lies at the heart of a civil society. We are opposed to the federal government's willingness to suspend basic liberties in the name of national security. We have seen the federal government use the rhetoric of national security to bar federal workers from union membership. We reject the idea that we must sacrifice our civil liberties to live in a free and safe country. To the contrary, we believe that without civil liberties, our country is no longer safe or free.

Civil rights should also be protected at 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 to protect workers' privacy by prohibiting the electronic monitoring of employee correspondence.

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 believe workers should be free from workplace harassment. In 2003, 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.

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 when they break the law.

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. We supported Prop 66 on the November 2004 ballot that would have brought some sanity to California's overly punitive "Three Strikes" law.

The current context of heightened security measures should spur us to protect our civil rights more vigilantly than ever. When the President thinks he is above the federal law that restricts wiretaps, we must all fear for our privacy.

Immigrants

Without immigrant labor, California's economy would grind to a halt. Immigrants make up half of our state's janitors and a significant proportion of the state's childcare workers and construction workers. Fully 91 percent of the farm workers in California are immigrants. Immigrants are central to our state's economy and the labor movement.

The Federation supports the legalization of undocumented immigrants. History shows that legalization of undocumented immigrants benefits all workers. Wages and work standards of undocumented workers increased significantly after the legalization program of the 1986 Immigration Reform and Control Act, which then raised the floor for all workers. Without a legalization program, the economic incentive to hire and exploit the undocumented will remain, to the detriment of all U.S. workers.

We oppose the criminalization of undocumented workers and President Bush's cynical "guest worker"

proposal. An expanded "guest worker" program would create a permanent underclass of workers unable to participate fully in American democracy. For U.S. 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, it would lower wages and standards throughout the economy.

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 faced 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 sponsored legislation, vetoed by Governor Schwarzenegger, to grant immigrant the right to a driver's license in California. We will continue to uphold the rights of immigrants.

The current war in Iraq 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.

After 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 often more pro-union than American-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 denounce employers that 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. Nor should employers use “no-match” Social Security letters to intimidate workers without documentation. 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 the 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. In many states, it is still legal for lesbians, gays, bisexuals and transgender workers to be fired based on their sexual preference or gender identity. There is no place in this country for prejudice against individuals because of sexual preference or orientation.

We were proud to work for the passage of the Domestic Partner legislation in California, which extended more rights for domestic partners. We oppose efforts to amend the constitution at the state or federal level to ban marriage equality. This change would be a serious abuse of the constitution to promote an intolerant political agenda. We support those measures that would equally confer all civil rights and responsibilities to every Californian.

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

As workers shift from one job to another, and corporate cost cutting whittles employee benefits to the minimum, retiree health 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.

Republicans have recently launched a series of aggressive attacks on pensions for seniors. In 2005, Arnold Schwarzenegger advocated for a ballot measure that would have privatized pension benefits for thousands of public employees in California. The ballot measure put the retirements of thousands of Californians at risk. It also would have also eliminated death and disability benefits for police officers and firefighters killed in the line of duty. Schwarzenegger was forced to step back from the proposal after loud protests from public and private sector workers across the state.

Meanwhile, President Bush continues to travel the country advocating for the same bad idea – the privatization of Social Security. Social Security is

America's most important family-protection program. It spans class, race, gender, income and generations. 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.

The Federation opposes efforts to place pensions or social security benefits in the hands of private corporations. We stand with seniors to protect their rights to a secure retirement.

We also recognize that health benefits for seniors are on the line. More and more corporations are cutting back on retiree coverage to reduce health care costs. 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.

The new Medicare drug plan fiasco has only worsened the situation. Stories have already emerged of employers who are using the new Medicare plan as an excuse to drop drug coverage for retirees. But the Medicare plan provides a poor substitute. The medications covered under the Medicare plans remain unclear. The array of providers is confusing to navigate. And seniors will have to pay out-of-pocket for expenses between \$2,250 and \$5,100. The new program is so incomprehensible that even the parents of the U.S. Health Secretary had to ask him to fill out the paperwork for them.

The new Medicare legislation was also clearly written to benefit big drug companies, not consumers. A key provision prohibits the government from negotiating with the pharmaceutical companies for lower prices. The Federation opposes this legislation and calls for a complete overhaul that puts the needs of seniors first.

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 new California Alliance for Retired Americans (CARA). CARA has quickly become a leader in the fight for senior rights in California, including the right to affordable prescription drugs. We cheer them on and will

continue to support their efforts and encourage all labor retirees to join CARA.

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.

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. We sponsored AB 76 (Corbett), which became law in 2003 and 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 childcare workers, combined with subsidized quality childcare, 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. Childcare, family leave, and flexible

work hours are often as much a concern for working men as they are working women. We recognize that most “women’s issues” are issues for all working people.

The labor movement 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.

Resolutions

Passed by the 26th Biennial Convention of the California Labor Federation

Support Universal Health Care S.B. 840: California's Universal Health Care Bill (Kuehl)

WHEREAS, Health care access should be a human right and not a privilege available only 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, All unions and our members are struggling with spiraling health care costs and we have seen the suffering of 70,000 grocery workers in a bitter four month strike over the cost of health care which has become a crucial contract issue nationwide; and

WHEREAS, California's health care system is in decline as evidenced by steeply rising health insurance premiums, increasing numbers of uninsured who will soon reach 7 million in California, and declining quality of care for both insured and uninsured Californian's; and

WHEREAS, A lack of health insurance is a substantial barrier to receiving health care and has been a proven cause of poor health outcomes and increased mortality; and

WHEREAS, Most uninsured are members of working families whose employers do not provide health insurance benefits; and

WHEREAS, People who have insurance are very worried of losing it due to declining employer offered coverage and employment instability; and

WHEREAS, Health insurance premiums are growing by double digit margins each year such that

growth in health care spending is the single greatest problem facing California's economy; and

WHEREAS, The United States is the last industrial nation in the world yet to establish a health care plan to cover all residents and the United States spends twice as much on health care as every other industrial nation; and

WHEREAS, California's unions have led the way to expand access to health care coverage by sponsoring and getting Senate Bill 2 enacted in 2003; and

WHEREAS, SB 2 was narrowly referendized on the November, 2004 ballot, demonstrating that California voters want health care reform; and

WHEREAS, California's unions and our members continue to suffer by paying more for health care and getting less; and

WHEREAS, Senate Bill 840 (Kuehl), The California Health Insurance Reliability Act, by Senator Sheila Kuehl is pending to establish a system of health insurance for every resident of the state, while stabilizing the growth in health care spending, and improving quality at the same time; and

WHEREAS, S.B. 840 would establish a health care plan in California that would save billions of dollars and extend health care coverage across the board to all by

- 1 Consolidating administration, finance, insurance risk and purchasing power; and
- 2 Providing universal access for primary and preventive care; and
- 3 Establishing a state health care budget; and
- 4 Initiating statewide health care planning; and

WHEREAS, Current spending is plenty of money to cover all residents with comprehensive health benefits under this model. The problem is not that we do not spend enough money, it is that we waste so much of what we do spend; and

WHEREAS, This model has been tested in every other industrial nation in the world, and in the United States through Medicare and Veterans Administration; and

WHEREAS, This model is funded by consolidating all public monies spent on health care and replacing the premiums, co-payments and deductibles paid to insurance companies with premiums paid to this system; and

WHEREAS, This single-payer medical model has also been introduced by Congressman John Conyers, Jr. (H.R. 676, the Expanded and Improved Medicare For All Act, otherwise known as the U.S. National Health Insurance Act) and has been endorsed by 160 union organizations including 28 central labor councils, three state AFL-CIO Federations (Connecticut, Kentucky and Pennsylvania), 3 area labor federations and most recently the United Auto Workers (UAW), International Union, AFL-CIO; and

WHEREAS, Unions in the City and County of San Francisco were recently victorious in winning universal access to health care for all San Francisco residents and their work is a model for all local governments to examine and pursue; therefore be it

RESOLVED, That this 26th Biennial Convention of the California Labor Federation, AFL-CIO, support S.B. 840 and work fiercely for its passage; and be it further

RESOLVED, That the Federation take an aggressive leadership role in controlling health care costs and expanding access to health coverage; and be it further

RESOLVED, That the affiliated unions of the Federation commit to resourcing both legislative efforts and ballot initiatives to achieve these goals; and be it finally

RESOLVED, That the Executive Council of the California Labor Federation send this resolution to State Representatives in the California Legislature and to the Governor.

Resolution Affirming the Reproductive Rights of All Females

WHEREAS, Working women require access to a full range of health care services to ensure workforce stability; and

WHEREAS, A major type of health care for most working women is reproductive health services; and

WHEREAS, The safety of teens is a significant concern for parents, working men & working women; and

WHEREAS, All parents rightly want to be involved in their teenage daughters' lives, however, good family communication cannot be imposed by the government; and

WHEREAS, If a teenager gets pregnant, our first concern must be for her safety; and

WHEREAS, When parental notification laws make teenagers choose between talking with parents or having illegal and unsafe abortions, some teens choose the illegal abortion even though it is a threat to their lives; and

WHEREAS, The real answer to teen pregnancy is prevention and strong, caring families, not new laws that endanger our daughters; therefore be it

RESOLVED, By this 26th Biennial Convention of the California Labor Federation that the Federation work within the Labor movement and with like minded allies to protect, provide education for, and defend a full range of reproductive health care services to females of all ages.

Resolution Supporting a Recount in the Mexican 2006 Presidential Election

WHEREAS, The labor movement in California has provided concrete assistance to insure the participation of sisters and brothers of Mexican nationality in the Mexican Presidential Election 2006; and

WHEREAS, Many of these sisters and brothers traveled over 1,000 miles to secure their voting rights in said elections; and

WHEREAS, Complaints of election irregularities including, but not limited to, uncounted ballots and corporate media manipulation have been submitted and raised in said election; and

WHEREAS, The issue of election irregularities and the exclusion of the disenfranchised is an increasing component of many elections here and abroad; and

WHEREAS, The progressive Mexican Union Movement, the UNT, has supported the call for a recount and has asked for support from all other labor organizations nationally and internationally; therefore be it

RESOLVED, By this 26th Biennial Convention of the California Labor Federation, AFL-CIO that the Federation supports the demand of a recount in the Mexican Presidential Election 2006 vote by vote (voto por voto); be it further

RESOLVED, That this resolution be forwarded to officials of the Mexican Union Movement; and be it finally

RESOLVED, This resolution shall be forwarded to the National AFL-CIO, for adoption and support as provided for in this resolution.

Resolution to Endorse and Support LaborTECH 2006

WHEREAS, Organized labor is under attack in it's right to organize, and freedom of association is also under assault; and

WHEREAS, The issues of privatization, deregulation and union-busting facing working people are crucial to illuminate in the media from a labor point of view; and

WHEREAS, Labor needs to develop it's own labor media and communication networks in order to get our media out and break the information blockade; and

WHEREAS, Labortech (www.labortech.net), which holds regular educational conferences on labor union use of communication technology, will be having an international labor educational conference at the University of San Francisco on November 17, 18 & 19, 2006; and

WHEREAS, This labor communication conference is endorsed by OPEIU Local 3, SEIU 535, NALC Local 214, California Faculty Association, the California Federation Of Teachers and other labor organizations; and therefore be it

RESOLVED, By this 26th Biennial Convention of the California Labor Federation that the Federation endorses LaborTech 2006, and be it finally

RESOLVED, That the Federation actively promote union participation in LaborTech 2006.

Support of Labor's 2006 and Beyond Strategic Plan for California

WHEREAS, The last two years have been an intense political period characterized by a series of attacks by Governor Arnold Schwarzenegger against workers; and

WHEREAS, Time and time again Big Business forces have proven willing to spend endless resources to promote anti-union policies and initiatives; and

WHEREAS, The Labor Movement is needed, now more than ever, to give hope to the millions of workers who want a voice at work and a voice in the decisions that affect our communities; and

WHEREAS, The Executive Council has formed a Strategic Planning Committee which has met over the last 18 months to establish an historic new program to build a stronger union movement across California; and

WHEREAS, The Strategic Planning Committee has recommended the creation of higher standards of performance in politics, legislation and organizing for the entire movement and spirit of “mutual accountability” to achieve them; therefore be it

RESOLVED, That this 26th Biennial Convention of the California Labor Federation support a Strategic Plan for 2006 to build labor’s campaign capacity in California that will lead the nation in model political action beginning with this November’s election and beyond; and be it further

RESOLVED, That the 2006 Strategic Plan calls for the statewide mobilization of 25,000 volunteers, 5,000 Worksite Coordinators, 1000 Locals sending letters from Chief Officers to their members, and the release of 500 staff for the last 8 weeks of the campaign; and be it further

RESOLVED, That the 2006 Strategic Plan calls for each union to “raise the bar of performance” and recruit 1% of their members to volunteer in the Labor Council campaign; send 3 letters to their members to vote for the labor-endorsed candidate to oppose Arnold Schwarzenegger; recruit their stewards and member leaders to become worksite coordinators who will educate and activate members in the campaign; release staff to the Labor council after Labor Day to help run the campaign; and be it further

RESOLVED, That the Strategic Plan calls for moving a pro-worker economic agenda, winning legislation to support working families, and supporting organizing in the state; and be it finally

RESOLVED, That the California Labor Federation and all affiliated State Councils, Central Labor Councils, and Local Unions make every effort possible to fulfill the goals of this Strategic Plan.

Support for A Humane and Fair Workers’ Compensation System that Works

WHEREAS, The workers’ compensation system was created as the result of a trade-off: employers were given immunity from tort liability for workplace injuries in exchange for providing injured workers with a no-fault system (no need to prove employer negligence) of monetary benefits and medical care; and

WHEREAS, The California Constitution requires employers to provide injured workers with both adequate benefits and medical treatment needed to cure them and relieve them of the effects of the injury; and

WHEREAS, The California Constitution requires that benefits and medical care be “expeditiously” provided to injured workers; and

WHEREAS, The Schwarzenegger administration has torn the workers’ compensation system to shreds through his anti-worker regulations implementing S.B. 899, his workers’ compensation “reform” bill; and

WHEREAS, Employers have saved almost \$10 billion (a year for the last 2 years) in workers’ compensation costs; and

WHEREAS, Unregulated insurance companies are making historic profits under the new system; insurers’ loss ratio are now 36%, meaning for every \$1 in premium collected, insurers were only paying out 36 cents in benefits; reserves and overhead costs total 23 cents; the remaining 41 cents of every \$1 in premium is profit; and

WHEREAS, Workers’ comp reform was the first promise made and promise broken of Schwarzenegger; he promised that truly injured workers would not suffer; and

WHEREAS, Thousands of severely disabled workers are suffering 50 percent cuts in permanent disability benefits; and

WHEREAS, Permanent disability benefits are often the last shred of a safety net that keeps severely injured workers in their homes, their families fed, and their bills paid; and

WHEREAS, Medical care is being routinely denied under Schwarzenegger's new medical treatment guidelines; delayed and denied medical care worsen our injuries; and

WHEREAS, There is now a two-year time limit on temporary disability benefits, forcing injured workers to rely on the worker paid State Disability Insurance (SDI) program or other publicly-funded benefits; and

WHEREAS, Our right to see our own doctors if we get injured will sunset April, 2007 unless Schwarzenegger signs a bill to lift the sunset; without the right to predesignate, we will all be forced to see the company doctor; and

WHEREAS, Unions have the ability to create joint labor-management alternative dispute resolution programs, or carve-outs; these programs can provide better benefits, timely medical treatment, and less litigation; therefore be it

RESOLVED, That the California Labor Federation vigorously pursue legislation that restores permanent disability benefits; and be it further

RESOLVED, That the California Labor Federation continue to fight to maintain our right to see our own doctors if we get injured on the job; and be it further

RESOLVED, That the Federation play a leadership role in educating our unions about how to create carve out programs; and be it finally

RESOLVED, That the Federation continues to be the voice to protect all workers, union and non-union, from injuries at the worksite and to advocate for adequate benefits if they get injured.

Support for Quality Education Reform

WHEREAS, Quality public education is fundamental to improving the lives of the children of working families; and

WHEREAS, For the past three decades California's public schools have suffered from underfunding, inadequate resources and educational policies that have failed the children of working women and men; and

WHEREAS, The effort to improve public education for all our children can only be achieved by forging a broad alliance of organized labor, community members, elected leaders and other civic minded leaders; and

WHEREAS, Organized labor must play a key role in putting forth solutions that build alliances, provide adequate funding, demand a quality education for every child while rejecting regressive proposals that contract out services and expand charter schools; and

WHEREAS, Working families believe that our public schools must adequately prepare the workforce of tomorrow to compete in today's economy; and

WHEREAS, No law by itself will change conditions for learning in the classroom, but an active partnership between parents, educators and community members can assist; and

WHEREAS, A.B. 1381 embodies the essential elements of fundamental reform and partnership; therefore be it

RESOLVED, That this 26th Biennial Convention of the California Labor Federation support A.B. 1381.

Economic Equality and Civil Marriage

WHEREAS, as trade unionists, we believe all workers are entitled to a discrimination-free workplace with full parity in benefits, pay, and fair treatment outside of the job; we hold a firm commitment that there should be equal pay for equal work regardless of race, creed, color, gender or sexual orientation; this commitment has been a guiding principle as we have fought for the rights of minorities and women; and

WHEREAS, the Labor Movement has fought for economic equality for gay and lesbian workers through support of domestic partnership legislation and negotiating domestic partner language in our collective bargaining agreements; unions have attempted to secure the same benefits for all their members; this approach has worked well for some benefit provisions but not others; benefits defined by law as entitlements for spouses are beyond our reach in collective bargaining agreements; governmental programs that we have endorsed and supported are not available to some of our members; civil unions and domestic partner protections do not provide same sex couples with the legal protections afforded to legally recognized spouses; and

WHEREAS, the U.S. General Accounting Office has documented more than 1,000 federal benefits and protections acquired by civil marriage; the majority of these benefits are not available through domestic partnerships or civil unions; these include: the right to collect spousal Social Security benefits, ERISA pension and death benefits when the spouse dies; the right to use pre-tax dollars for spouses via medical savings accounts; the right to receive benefits under the Federal Family and Medical Leave Act to care for an ill or injured spouse or spouse's child; the right to continue health insurance for a spouse under COBRA; and the right to have an immigrant spouse accorded citizenship; now therefore be it

RESOLVED, that the California Labor Federation supports the rights of all California workers to access the full and equal rights of civil marriage.

Note: Original resolutions submitted to the California Labor Federation are listed in Appendix A, page 135.

Roll of Delegates

This comprises the completed Roll of Delegates to the Twenty-sixth Convention of the California Labor Federation, AFL-CIO

	Union Votes	Individual Votes
ACTORS & ARTISTES OF AMERICA, ASSOCIATED		
AFTRA, Los Angeles Local	1875	
Burgee, Raza		469
Caple-Shaw, Andrew		469
Kimbrough, Matthew		469
Pirkle, Joan		468
AFTRA, San Francisco Local	340	
Lipney, Karen		340
ASBESTOS WKRS, INT'L ASSN OF HEAT & FROST INSULATORS AND		
Asbestos Workers Local 16	638	
Breshears, Mel		638
AUTO WORKERS, UNITED		
United Auto Workers Local 2865	2063	
Chadwick, Meaghan		688
McKay, Pilar		688
Petit, Christine		687
CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION		
CA School Employees Assn	20694	
Bilbrey, Michael		2069
Clark, Allan		2073
Held, Carla		2069
Mazzanti, Michael		2069
Minoux, Teri		2069
Rojas, Tony		2069
Scrivner, Donald		2069
Smith, Ron		2069
Stewart, John		2069
Williams, Donny		2069

	Union Votes	Individual Votes
COMMUNICATIONS WORKERS OF AMERICA		
Communications Workers 9000	611	
Santora, T		611
Communications Workers 9412	893	
Cameron, C		447
Gibbs, Keith		446
Communications Workers 9421	2340	
Gordon, Jim		1170
Ramirez, Tom		1170
Communications Workers 9505	2674	
Blanco, Rocio		1337
DeMarco, Dennis		1337
Communications Workers 9510	2876	
Milliman, Mike		959
Rooker, Alexzandra		959
Venegas, Joseph		958
Communications Workers 9573	478	
Macias, Karen		239
Maldonado, Steve		239
Communications Workers 9575	1074	
Arias, James		269
Carpentier, Becki		268
Romano, Janine		269
Shafer, Lisa		268
Communications Workers 9586	100	
Gibson, Gregg		50
RaPue, Judy		50
Communications Workers 9588	186	
Dudley, James		93
Gutierrez, Maria		93
CWA 14904/So CA Allied Printing Trades Council	133	
Prairie, Ken		133
N CA Media Wkrs Guild/Typog 39521	1350	
Holober, Richard		1350
Univ Prof & Tech Empls, CWA 9119	5510	
Hechter, Max		2755
Orr, Rodney		2755

	Union Votes	Individual Votes
ELECTRICAL WORKERS, INT'L BROTHERHOOD OF		
Electrical Workers Local 11	7093	
Kropke, Marvin		7093
Electrical Workers Local 1245	17088	
Davis, Mike		4272
Fortier, Dorothy		4272
Scott, Dave		4272
Stern, Hunter		4272
Electrical Workers Local 332	1042	
Ventura, Sal		1042
Electrical Workers Local 340	400	
Clark, D'Elman		200
Larkins, Gregory		200
Electrical Workers Local 441	1313	
Mangione, Douglas		1313
Electrical Workers Local 47	5286	
Lavin, Patrick		2643
Stosel, Stan		2643
Electrical Workers Local 551	619	
Soza, Denise		619
Electrical Workers Local 569	2000	
Heisler, Joe		400
Richardson, Keith		400
Segura, Nick		400
Shur, Allen		400
Towner, C.J		400
Electrical Workers Local 595	1338	
Bonato, Greg		669
Uno, Victor		669
Electrical Workers Local 6	1400	
Koll, Bob		1400
Electrical Workers Local 639	110	
Lewis, Hank		110
Electrical Workers Local Union 18, IBEW	4320	
McCorkle, Kerry		2160
Poole, Harry		2160

	Union Votes	Individual Votes
FARM WORKERS OF AMERICA, AFL-CIO, UNITED		
United Farm Workers, AFL-CIO	2789	
Bevens, Tammi		349
Chavez, Izchel		349
Hernandez, Emilio		349
Huerta, Dolores		349
Lee, Jacqueline		349
Nino, Amerika		348
Schaeffer, Brielle		348
Ybarra, Samuel		348
FIRE FIGHTERS, INT'L ASSN OF		
Alhambra Fire Fighters Assn 1578	60	
D'Ausilio, Robert		60
Los Angeles City Firefighters Local 112	3450	
McOsker, Pat		1150
Nonini, Ted		1150
Pimentle, Dave		1150
Los Angeles County Fire Fighters Local 1014	2841	
Gillotte, David		2841
SF Fire Fighters Local 798	1610	
Vannucchi, James		1610
Ventura County Fire Fighters Assoc 1364	395	
Hodge, Jason		395

	Union Votes	Individual Votes
FOOD & COMMERCIAL WORKERS UNION, UNITED		
UFCW Butchers Local 120	981	
Rush, Dan		981
UFCW Local 8	5756	
Ciotti, Joe		822
Glazer, Rick		822
Hunsucker, Don		822
Hunsucker, Jerry		822
Loveall, Adam		822
Loveall, Jacques		824
Martin, Jerry		822
United Food & Comm Workers 101	8000	
Cortez, Elizabeth		2667
Hedges, Richard		2667
Ibarra, Juan		2666
United Food & Comm Wrkrs 1428	4656	
Makowski, Simone		932
Sedor, Diane		931
Singh, Berald		931
Soto, Carlos		931
Zimmer, Pete		931
United Food & Comm Wrkrs 324	6667	
Perez, John		6667
United Food & Comm Wrkrs 428	7533	
Gonzales, Terry		1884
Hughes, Jonathen		1883
Ortega, Lenny		1883
Parola, Larry		1883
GOVERNMENT EMPLOYEES, AMERICAN FEDERATION OF		
AFGE Local 2297	76	
Jones, Lula		38
Soto, John		38
AFGE Local 505	291	
Clyde, Alfredia		291
AFGE/VA Local 1697	132	
Gaspard, Shirley		132

	Union Votes	Individual Votes
IRON WORKERS, INT'L ASSN OF BRIDGE, STRUCTURAL &		
Iron Workers Union 378	1779	
Ferguson, Mark		1779
Reinforcing Iron Workers 416	1738	
Greenhagen, Richard		1738
Structural Iron Workers 433	2539	
Moxley, Tom		1270
Williams, Doug		1269
LABORERS' INTERNATIONAL UNION OF NORTH AMERICA		
Laborers Union Local 300	3120	
Hilfenhaus, Jim		1560
Rascon, Sergio		1560
Laborers Union Local 585	850	
Chavez, Henry		425
Valenzuela, Leo		425
Laborers Union Local 652	2474	
Ruiz, Robert		2474
Shipyard & Marine Laborers 886	386	
Hightower, Don		386
Studio Utility Employees, LIUNA 724	350	
Brendlinger, Earl		175
Johnson, Guy		175
LETTER CARRIERS, NATIONAL ASSN OF		
Letter Carriers Branch 0183, Nat'l Assn of	480	
Anderson, Jerry		240
Parr, Jeff		240
NALC Local 214	500	
Beaumont, John		500
LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION, INT'L		
Longshore & Warehouse 10	732	
Thibeaux, Lawrence		732
SF Inland boatmen-Marine Div ILWU	125	
Billington, Chuck		62
Thibeaux, Lawrence		63
Ship Clerks Assn, ILWU 34	273	
Sandahl, Lee		137
Shanklin, Keith		136

	Union Votes	Individual Votes
MACHINISTS & AEROSPACE WKRS, INT'L ASSN OF (INCL. WOODWKRS)		
Air Transport Empls 1781	213	
Ajetomobi, Olulade		106
DeBono, Joe		107
Automotive Machinists Local 1484	447	
Bioletto, George		447
LA Air Transport Lodge 1932	1896	
Chavez, Martin		948
Martinez, Reggie		948
Machinists Local Lodge 311	578	
Perez, Mike		578
Machinists, Mechanics Lodge 2182	583	
Beno, James		583
Peninsula Auto Machinists 1414	2162	
Pulaski, Art		2162
MUSICIANS OF THE U.S. & CANADA AMERICAN FEDERATION OF		
Professional Musicians Union Local 47	2000	
Williams, Serena		2000
OFFICE & PROFESSIONAL EMPLS INT'L UNION		
Office & Prof Empls Local 3	1702	
Ramirez, Loretta		1702
Office & Prof Empls Local 30	3231	
Lupton, Chris		1077
Nunez, Diane		1077
Young, Catherine		1077

	Union Votes	Individual Votes
OPERATING ENGINEERS, INT'L UNION OF		
Operating Engineers Local 12	10000	
Adams, Mickey		1000
Billy, Steve		1000
Church, Jim		1000
Edwards, Ron		1000
Henning, Patrick		1000
Sikorski, Ron		1000
Unruh, Chrissie		1000
Waggoner, Bob		1000
Waggoner, William		1000
Young, Fred		1000
Operating Engineers Local 3	25000	
Aja, Tom		2500
Bonilla, John		2500
Foley, Ken		2500
Gunheim, Greg		2500
Oku, Ken		2500
Powers, Walt		2500
Speck, Dan		2500
Tuttle, Cindy		2500
Tweedy, Travis		2500
Wilson, Roger		2500
Operating Engineers Local 501	1500	
Lundy, Dennis		500
McLaughlin, James		500
Pette, Finn		500
Stationary Engineers Local 39	1500	
Bonilla, Perry		500
Bryant, Joan		500
Kalmar, Jerry		500
PAINTERS & ALLIED TRADES OF THE U.S. & CANADA, INT'L		
Painters Union Local 2345	679	
Graeber, Chrs		679
Painters Union Local 741	380	
Lewis, Prince		380

	Union Votes	Individual Votes
PLASTERERS' & CEMENT MASONS' INT'L ASSN OF THE U.S. &		
Cement Masons Union Local 400	126	
Bik, Karl		63
Cortez, Hector		63
PLUMBING & PIPEFITTING INDUSTRY OF THE U.S. & CANADA, UNITED		
Pipefitters Local 250	2150	
Burr, Vince		430
Guzman, Art		430
Hardick, Jim		430
Linder, Rick		430
Martin, Terry		430
Plumbers & Pipefitters 38	1190	
Sr, Larry		1190
PROFESSIONAL AND TECHNICAL ENGINEERS, INT'L FEDERATION OF		
Engineers & Scientists of CA, IFPTE 20	2000	
Mitchell, Mark		2000
SEAFARERS' INT'L UNION OF NORTH AMERICA		
Pacific Coast Marine Firemen	500	
O'Brien, William		250
Poplawski, Anthony		250
Sailors Union of the Pacific	2156	
Connolly, Dave		539
Hurley, Mark		539
Lundeberg, Gunnar		539
Wegger, Grant		539
Seafarers-Atlantic & Gulf Div.	551	
Cox, John		551
SIU Military Sealift Transport Union	236	
Cox, John		236

	Union Votes	Individual Votes
SERVICE EMPLS INT'L UNION, AFL-CIO		
CA Faculty Assn, SEIU 1983	2000	
Canton, Cecil		666
Geron, Kim		666
Hall, Jack		668
SEIU 1000, CA State Empls Assn (CSEA)	4000	
Bautista, Marc		445
Chacon, Joe		445
Davis, Lisa		445
Hackett, Cathy		445
Hard, Jim		444
Kabeary, Connie		444
Marete, Marangu		444
Rodriguez, Blanca		444
Tidwell, Otis		444
Serv Employees Int'l Union Local 1877	13254	
Delgado, Jorge		1657
Dominguez, Felipe		1657
Estrada, Lidia		1657
Gallegos, Lisa		1657
Perez, Blanca		1657
Sr, Lee		1656
Stilwell, Dave		1657
Vasquez, Joel		1656
Service Employees 790	27727	
Guillen, Maria		6932
Lewis, Sandra		6932
Tamura, Pattie		6931
Turner, David		6932
Service Employees Local 616	5515	
Bingham, Berry		1838
Blannon, Brenda		1839
Furmully, Olia		1838
Service Employees Union Local 660	34387	
Stephens, Alejandro		17193
Vaughan, Gerry		17194
Social Services Union 535	22216	
Johnson, James		22216

	Union Votes	Individual Votes
Solano Assn Gov Empls, SEIU 1280	2115	
Lee, Sandra		2115
United Healthcare Workers West, SEIU	81749	
Brooks, Theresa		10219
Callahan, Sarah		10219
Cavarlez, Vickie		10219
Figueroa, Martha		10218
Kosinski, John		10218
Martin, Dan		10220
Valencia, Jay		10218
Woodhouse, Leighton		10218
SHEET METAL WORKERS INT'L ASSN		
Sheet Metal Workers Local 105	800	
Medina, Luther		400
Odom, James		400
STAGE EMPLS & MOVING PICTURE TECHNICIANS, ARTISTS & ALLIED		
Art Dir Guild & Scenic, Title & Grphc Art. #800	900	
Frazza, Lisa		450
Webb, Evans		450
Costume Designers Guild 892	620	
Madden, Betty		620
STAGE EMPLS & MOVING PICTURE TECHNICIANS, ARTISTS & ALLIED		
IATSE Script Supervisors 871	1116	
Curren, Allison		279
Dooner, Dooner		279
Kinney, Patricia		279
Mander, Melanie		279
IATSE Studio Teachers 884	110	
Businger, Polly		55
Wicklund, Richard		55
IATSE Treasurer and Ticket Sellers Local 857	197	
Medina, Sergio		99
Richards, Marz		98
IATSE Union Local 33	1391	
Jones, Bill		696
Westler, David		695

	Union Votes	Individual Votes
MP Costumers Local 705	1620	
Jordan, Sandra		810
Kaatz, Paula		810
MP First Aid Employees 767	277	
Larson, Cheri		277
MP Grips 80	2170	
Boggis, Sharon		724
Boutelle, Chris		723
Valle, Gil		723
Theatrical Stage Empls 504	270	
Blanchard, Leslie		270

STATE, COUNTY & MUNICIPAL EMPLS, AMERICAN FEDERATION OF

AFSCME Local 3299	15925	
Harrison, Lakesha		7964
Schlitz, William		1961
All City Empls Assn 3090	4695	
Acosta, Adam		1174
Parisi, Cheryl		1174
Pelote, Willie		1174
Simon, Leslie		1173
East Bay Muni Util Dist Empls 444	629	
Englander, Martha		211
Jr, Henry		209
Zarich, Victor		209
East Bay Regional Parks Empls 2428	428	
Lynch, Erwin		214
Spencer, Robert		214
LA County Probation Officers 685	2944	
Miller, Ralph		2944
LA Soc Serv Prof Tech Empls 800	416	
Garland, Sandra		208
Smith, Rachelle		208
LA Superior Court Clerks 575	645	
Sanders, Aileen		323
Yushioka, Vivian		322

	Union Votes	Individual Votes
Sacramento Employees 146	1245	
Lashley, Bryon		311
Malone, Belinda		311
Miller, Gary		312
Provost, Roneca		311
San Mateo County Empls 829	2444	
Gregory, Linda		2444
UNAC Health Care Workers 1199	10058	
Cohen, Brenda		1117
Dorono, Tony		1117
Glenn, Sue		1117
Jeremy, Lanni		1117
Jordan, Brenda		1117
Moseley, Sonia		1120
Obasih-Williams, Cheryl		1119
Oleson, Sandra		1117
Robinette, Eileen		1117
United Domestic Workers of America NUHHCE/AFSCME	34390	
Agee, Jovan		4299
Butler, James		4299
Dolida, Alice		4299
Holstad, Dolores		4299
Johnson, Monica		4299
Lenore, Anthony		4299
York, Cecilia		4298
Young, Carrie		4298
West Hollywood City Empls 3339	129	
Book, Jeffrey		65
Zraikat, Anwar		64

STEELWORKERS OF AMERICA, UNITED

Steelworkers 9518	676	
Janrhett, James		676
United Steelworkers Local 7600	4437	
Bonds, Terry		2219
Kins, David		2218

	Union Votes	Individual Votes
TEACHERS, AMERICAN FEDERATION OF		
CA Fed of Teachers 8004	176	
Bergan, Mary		176
Coast Fed of Educators/AFT 1911	363	
Mancina, Dean		182
Wilson, Shannon		181
College Staff Guild, AFT Local 1521A	868	
Pierce, Troy		434
Russell, Marchand		434
Greater Santa Cruz Fed of Tchrs 2030	404	
Evans, Casey		202
Martinez, George		202
Los Angeles College Faculty Guild, AFT 1521	3858	
ChukSORji, Jean		1929
Sanchez, Salvador		1929
Los Rios CC Fed of Teachers 2279	2248	
Burt, Kenneth		1124
Murakami, Dean		1124
Oakland AFT 771	353	
Turetsky, Ana		353
Salinas Valley Fed of Teachers 1020	683	
Rosenberg, Allan		683
United Teachers of Los Angeles 1021	10802	
Gray, Jimmie		3600
Pechthalt, Joshua		3603
Rich, Marc		3599
TEAMSTERS, CHAUFFEURS, WARE- HOUSEMEN & HELPERS OF AMERICA,		
Chauffeurs, Sales Drivers 572	7936	
Guitron, Graciela		3968
Smith, Traci		3968
General Truck Drivers 952	7081	
Brewster, Don		2361
Kelly, Patrick		2360
Medrano, Ernesto		2360
General Truck Drivers, Warehousemen 315	2192	
Robbins, Dale		2192

	Union Votes	Individual Votes
Package & General Utility Drivers 396	7238	
Bonales, Javier		2413
Liddy, Barbara		2413
Smith, Jim		2412
Teamsters Local 287	1656	
Blanchet, Bob		828
Jones, Marvin		828
Teamsters, Auto Truck Drivers 70	3175	
Mack, Chuck		3175
Wholesale Delivery Drivers 848	5207	
Lagafuaina, Erik		2603
Tate, Eric		2604

TRANSIT UNION, AMALGAMATED

Amalgamated Transit Union 1277	2118	
Aguilar, Art		423
Lindsay, James		423
Sheldon, Dane		423
Silver, Neil		426
Soto, Adolfo		423
Amalgamated Transit Union 1309	961	
Gotcher, Joseph		480
Ring, Maurice		481
Amalgamated Transit Union 1574	494	
Proctor, Ed		494
Amalgamated Transit Union 1589	540	
Gales, Barbara		540
Amalgamated Transit Union 1704	270	
Moore, Dale	270	135
Potts, Sue		135
Amalgamated Transit Union 192	1915	
Stinger, Rhodessa		957
Williams, Yvonne		958

TRANSPORT WORKERS UNION OF AMERICA

Transport Workers Union 250-A	1600	
Cabrera, Rafael		1600

	Union Votes	Individual Votes
BUILDING & CONSTRUCTION TRADES COUNCILS		
Alameda Bldg & Const Trades Cncl	2	
Luboviski, Barry		2
LA/Orange Bldg Const.Trds Cncl	2	
Slawson, Richard		2
North Eastern CA Bldg Const Trades Cncl	2	
Breshears, Mel		2
CALIFORNIA STATE COUNCILS		
CA American Postal Wkrs Union	2	
Bailey, Isabelle		2
CA Federation of Teachers	2	
Hittelman, Martin		1
Nye, Michael		1
CA State Assn Letter Carriers	2	
Beaumont, John		2
CA State Conf Transport Wkrs	2	
Lum, Irwin		2
CA State Retiree Cncl	3	
Price, William		2
Rankin, Tom		1
Cal/Nev Conf Oper Engineers	2	
Cremins, Tim		2
SEIU California State Council	2	
Tipps, Dean		2
State Bldg & Const Trades Cncl of California	2	
Barnes, Eddie		1
Hansen, Jay		1
Teamsters, California Public Affairs Councils	2	
Newman, Marsi		1
Peasley, Jack		1
CENTRAL LABOR COUNCILS		
Alameda Central Labor Cncl	2	
Cornu, Sharon		2
Butte/Glenn Central Lbr Cncl	2	
Harrington, Mickey		2
Contra Costa Central Lbr Cncl	2	
Aguilar, Pam		2

	Union Votes	Individual Votes
Five Counties Central Lbr Cncl	2	
Smith, Ron		2
Fresno/Madera/Tulare/Kings CLC	2	
Ghan, Randy		2
Los Angeles County Fed of Labor (CLC)	2	
Durazo, Maria		1
Pugh, Courtnei		1
Merced/Mariposa CLC	2	
Martin, Jerry		1
Stewart, John		1
Monterey Bay Central Labor Council	2	
Chacanaca, Robert		2
Napa/Solano Central Lbr Cncl	2	
Lewis-Partridge, Anes		2
North Bay Labor Council	2	
Mallonee, Alex		2
S Bernardino/Riverside CLC	2	
Stalnaker, Laurie		1
Valkenburg, Steve		1
Sacramento Central Lbr Cncl	2	
Brandon, Obie		1
Camp, Bill		1
San Francisco Labor Council	2	
Paulson, Tim		1
Schiavo, Pilar		1
San Joaquin/Calaveras CLC	2	
Coy, Joe		2
San Mateo County CLC	2	
Indriolo, Christa		1
Kessler, Shelley		1
South Bay AFL-CIO Labor Cncl	2	
Bump, Phillip		1
Ellis-Lamkins, Phaedra		1
Stanislaus/Tuolumne CLC	2	
Brown, RaeLene		1
Tomassi, George		1
Tri-Counties Central Labor Cncl	2	
Valenzuela, Marilyn		2

	Union Votes	Individual Votes
CONSTITUENCY GROUPS		
California Alliance for Retired Americans	3	
Brasmer, Nan		1
Price, Bill		1
Rankin, Tom		1
Coalition of Labor Union Women, CA State	2	
Fortier, Dorothy		2
COUNCILS (REGULAR)		
CA Professional Firefighters	2	
Jones, Dallas		1
Paulson, Lou		1
Los Angeles Union Label Cncl - SAME AS LA CLC	2	
Lopez, Norma		1
Oshima, Nancy		1
DISTRICT COUNCILS		
CWA District #9	2	
Brokaw, Cherie		1
Weitkamp, Jim		1
Joint Cncl of Teamsters 42	2	
Rendon, Ed		2
N CA Dst Cncl of Laborers	2	
Moreno, Jose		1
Porter, Cedric		1
Painters and Allied Trades District Council 36	2	
Smith, Robert		2
Painters Dist Council 16	2	
Havens, Steve		1
Massey, Gene		1
S CA Dist Cncl ILWU	2	
Familathe, Cathy		1
Ponce, Mike		1
S CA Dist Cncl of Laborers	2	
Gomez, Humberto		2
JOINT BOARDS		
CA Conf Board Of ATU	2	
Owens, Oscar		1
Withington, Tony		1

Report of the Executive Secretary-Treasurer & the Executive Council

The last two years have been an intense political period. Most noteworthy is the series of attacks by Governor Arnold Schwarzenegger against workers and their unions. They culminated in a governor-called special election last November with several anti-union initiatives, including Prop 75, intended to silence Labor's political voice. Labor's response to the Governor was equally intense, with mass rallies following him everywhere he went throughout 2005. The coordinated union campaign to oppose the Governor's initiatives led to a sweeping rejection by voters of Schwarzenegger's complete slate of ballot measures on November 8, 2005.

Although the national labor movement divided in a major split, California's unions remained together in the face of extraordinary hostility from a common foe. We acknowledge and honor our members and their leaders for the unified, coordinated action that led to labor's success in 2005.

During 2005 and 2006 the Federation also embarked on an historic new program to help build a stronger union movement from top to bottom. Centered in the new Strategic Planning Committee, the program's focus is the creation of higher standards of performance in politics, legislation and organizing for the entire movement. With new goals, top union leaders have also agreed to a spirit of "mutual accountability" and transparency in performance.

Executive Council

Connie Leyva, President
Art Pulaski, Executive Secretary-Treasurer

Joe Aredas
Bob Balgenorth
James Beno
Mary Bergan
John Bonilla
Jerry Butkiewicz
Wayne Clary
Enrique Fernandez
Tyrone Freeman
Mike Garcia
Melissa Gilbert
James B. Gordon, Jr.
Jack Gribbon
Sean Harrigan
Eugene Hudson

Don Hunsucker
Shelley Kessler
Marvin Kropke
Barry Lubovski
Gunnar Lundeberg
Chuck Mack
Gene Massey
Larry Mazzola
Jose Moreno
Sonia Moseley
Oscar Owens
Lou Paulson
Lee Pearson
Willie Pelote
John Perez

Edward C. Powell
Mike Quevedo, Jr.
Arturo Rodriguez
Sal Rosselli
Jim Santangelo
Allen Shur
John L. Smith
Alejandro Stephens
Dean Tipps
Leo Valenzuela
Clyde Rivers
William Waggoner
Nancy Wohlforth
Richard Zampa
Perry Zimmerman

I. State and National Political Landscape

Following his reelection, President Bush fought to make tax cuts for the wealthy permanent, and the income gap between the rich and the poor widened. Although productivity has risen 15% in the past 5 years, workers' wages have been kept stagnant by inflation. Today's average CEO earns more before lunch in a day than the average minimum wage worker earns all year, with a compensation ratio of 821-to-1.

Escalating health care costs have taken more out of our paychecks, threatened our jobs, and strapped the ability of union employers to compete in a global market, as evidenced by massive layoffs at General Motors. Increased health care costs are being shifted on to the backs of workers or employers are dropping coverage altogether. Families paid over 40% more in health care costs from 2000-2003; 3.7 million fewer Americans had employer-provided health care in 2004 than in 2000. Over 45 million Americans and 6.7 million Californians had no health insurance in 2004.

Retirement security is nearly extinct, as financial corporate interests push to privatize Social Security. Defined benefit pensions are under attack for both public and private sector workers. And retiree health care continues to be chipped away.

While facing this reality, the national labor movement encountered internal challenges. 2005 witnessed the reorganization of the labor movement. Several international unions left the national AFL-CIO to create a new organization, Change to Win. The creation of Solidarity Charters provided opportunities for local unions to maintain their connections to state and local labor bodies. Proudly, 99% of California's eligible local unions hold Solidarity Charters, the highest percentage in the entire country.

When we stand together, we win. That adage held true once again during the 2005 Special Election called by Governor Arnold Schwarzenegger. Driven by corporate interests and ego, Schwarzenegger brazenly called for a costly taxpayer-funded special election that attacked nurses, teachers, firefighters and our unions. Initially, the special election featured a proposition to prohibit defined benefit pensions for every public worker, but

Schwarzenegger was forced to temporarily abandon his initiative when it became evident that taking away death benefits for the families of slain police officers and firefighters was doomed to political failure.

Central to Schwarzenegger's special election was Proposition 75, the corporate-driven measure to silence union members. California voters defeated another "Paycheck Deception" initiative by 7 percentage points. Voters also soundly rejected three other Schwarzenegger-supported propositions that would have reduced protections for teachers, cut school funding, and given the Governor power to act as czar of the state budget, and imposed a redistricting scheme on the state.

The results of the Special Election provided further evidence that unions, standing together, are the most formidable force in California politics. Our member-to-member communications and field program, our close alliances with community organizations and leaders, our ability to raise financial support, and our members' commitment to politics, are our political assets.

The Special Election served a purpose – to unify workers in defending our rights against big business interests. Our latest challenge has been to leverage our political power into policy progress for our members. We've made the Governor deal on issues that our members care about—infrastructure bonds, improved education spending and better contracts for state employees.

As we look forward, our challenges will not cease. As health care costs continue to eat away at our stagnant paychecks, the Federation and our unions stand ready to lead a movement for health care reform. We will use our power to create good jobs that pay family wages and quality benefits. We will organize more members and foster growth in our unions. We will work to elect a pro-worker candidate to the Governor's office.

And we will do it together through democratic and accountable organizations that set high standards for our collective achievement. Through a biennial strategic planning process, the Federation is building to last. Our members have proven that in spite of the many challenges we face, progress is ours to be had.

II. Political Report

November 2004 – Statewide General Election

November of 2004 brought tough losses for the labor movement nationwide, with the defeat of both our Presidential candidate and California's newly enacted Health Insurance Act.

The national campaign to defeat George W. Bush proved unsuccessful despite vast labor resources that included the release of California staff and activists to “battleground” states. Simultaneously, in the aftermath of the Gray Davis Recall, big business was flexing newfound muscle. Corporate interests funded an effort to repeal the largest health care reform ever signed into law. The Health Insurance Act of 2003 (SB 2 – Burton) would have guaranteed health care for millions.

The Federation sponsored SB 2 in response to skyrocketing health care costs brought in tougher contract bargaining and left millions of Californians with no insurance at all. Unfortunately, corporate interests spent millions to put the law on the ballot as a referendum that required a majority vote of the electorate to survive. The Health Insurance Act of 2003 then became Proposition 72. Although we lost

by just 1%, the health care debate was forever changed. We intend to rekindle the issue of reform in the health care system by working to control health care costs and expand access to health insurance.

Our 2004-2005 legislative victories, though, were numerous. Senator Barbara Boxer was re-elected by a comfortable margin. In Bay Area Assembly District 21, labor's candidate Ira Ruskin defeated millionaire Republican Steve Poizner. Poizner used \$6 million of his own money to outspend Ruskin by a margin of 5 to 1. Our victory once again proved the value of a field campaign and member-to-member communication. In another record setting legislative race, Senate District 5 saw a combined total of over \$9 million dollars spent between incumbent Mike Machado (D) and Steve Podesta (R). Again, labor's endorsed candidate had the winning edge and Machado won by 13,000 votes. In the end we protected all six targeted Assembly seats and two seriously contested State Senate seats, leaving the State Legislature with strong working-family majorities in both houses.

The following COPE endorsed candidates were elected in the 2004 General Election:

U. S. Senate

Barbara Boxer (D)

Congress by district

1. Mike Thompson (D)
5. Robert T. Matsui (D)
6. Lynn Woolsey (D)
7. George Miller (D)
8. Nancy Pelosi (D)
9. Barbara Lee (D)
10. Ellen O. Tauscher (D)
12. Tom Lantos (D)
13. Fortney (Pete) Stark (D)
14. Anna G. Eshoo (D)
15. Mike Honda (D)
16. Zoe Lofgren (D)
17. Sam Farr (D)
18. Dennis A. Cardoza (D)

20. Jim Costa (D)
23. Lois Capps (D)
27. Brad Sherman (D)
28. Howard L. Berman (D)
29. Adam B. Schiff (D)
30. Henry A. Waxman (D)
31. Xavier Becerra (D)
32. Hilda L. Solis (D)
33. Diane E. Watson (D)
34. Lucille Roybal-Allard (D)
35. Maxine Waters (D)
36. Jane Harman (D)
37. Juanita Millender-McDonald (D)
38. Grace F. Napolitano (D)
39. Linda T. Sanchez (D)
43. Joe Baca (D)
47. Loretta Sanchez (D)
51. Bob Filner (D)

State Senate by district

3. Carole Migden (D)
5. Michael J. Machado (D)
7. Tom Torlakson (D)
9. Don Perata (D)
11. S. Joseph Simitian (D)
13. Elaine Alquist (D)
21. Jack Scott (D)
23. Sheila Kuehl (D)
25. Edward Vincent (D)
27. Alan S. Lowenthal (D)
39. Christine Kehoe (D)

State Assembly by district

1. Patty Berg (D)
 6. Joe Nation (D)
 7. Noreen Evans (D)
 8. Lois Wolk (D)
 9. Dave Jones (D)
 11. Joe Canciamilla (D)
 12. Leland Yee (D)
 13. Mark Leno (D)
 14. Loni Hancock (D)
 16. Wilma Chan (D)
 17. Barbara S. Matthews (D)
 18. Johan Klehs (D)
 19. Gene Mullin (D)
 20. Alberto Torrico (D)
 21. Ira Ruskin (D)
 22. Sally J. Lieber (D)

23. Joe Coto (D)
 24. Rebecca Cohn (D)
 27. John Laird (D)
 28. Simon Salinas (D)
 30. Nicole M. Parra (D)
 31. Juan Arambula (D)
 35. Pedro Nava (D)
 39. Cindy Montanez (D)
 40. Lloyd E. Levine (D)
 41. Fran Pavley (D)
 42. Paul Koretz (D)
 43. Dario Frommer (D)
 44. Carol Liu (D)
 45. Jackie Goldberg (D)
 46. Fabian Nunez (D)
 47. Karen Bass (D)
 48. Mark Ridley-Thomas (D)

49. Judy Chu (D)
 50. Hector de la Torre (D)
 51. Jerome E. Horton (D)
 52. Mervyn M. Dymally (D)
 53. Mike Gordon (D)
 54. Betty Karnette (D)
 55. Jenny Oropeza (D)
 56. Rudy Bermudez (D)
 57. Ed Chavez (D)
 58. Ronald Calderon (D)
 61. Gloria Negrete McLeod (D)
 62. Joe Baca Jr. (D)
 69. Tom Umberg (D)
 76. Lori Saldana (D)
 79. Juan Vargas (D)

The following COPE endorsements on ballot measures were successful:

Ballot #	Ballot Name	Decision
59	Access to Government Information	YES
60	Primary Elections (No Open Primaries)	YES
61	Children's Hospital Projects	YES
62	Primary Elections (Open Primaries)	NO
63	Mental Health Services Expansion and Funding	YES
65	Local Government Funding and State Mandates	NO
68	Tribal Gaming Compact (track/card club measure)	NO
70	Tribal Gaming Compact (Agua Caliente measure)	NO

November 2005 Special Election

November 2005 marked one of the biggest political moments in California's labor history. The sitting Governor declared war on California's unions and we fought back... and won!

After a year of attacks on our pensions, health care and even lunch breaks, Governor Schwarzenegger called for a special election in an attempt to silence us once and for all. It began with an ambitious list of worker "take-aways" that were strategically beaten back by angry, organized union members. Fire fighters, nurses, teachers and many others joined together to protest the Governor's fundraisers throughout the state and demonstrate how Schwarzenegger had been bought by big business. Political opinion quickly began to swing in our favor, but Governor Schwarzenegger wouldn't be deterred, setting a special election for November.

Though many of Schwarzenegger's proposals never made it to the ballot, our unions' successful fight-

back likely fueled the drive to qualify Proposition 75. This measure would have unfairly restricted use of union dues for political purposes. A victory on this measure would have reaped benefits for corporate interests for years to come.

Prop 74 would have punished new teachers by denying them the right to have a hearing before they are fired during their first five years of teaching. It did nothing to improve student learning or deal with the real problems facing our schools. Prop 76 would have devastated our public schools and other vital services and given the Governor unprecedented unilateral power to make budget cuts.

However, unions embarked on the most intensive political campaign since Prop 226 in 1998 and, by contacting our members on the phones, in the streets and at the worksite, we won a decisive victory.

The following COPE endorsements were successful when the entire slate of right wing measures was defeated:

Ballot #	Ballot Name	Decision
74	Punish New Teachers	No
75	Paycheck Deception	No
76	Cuts School Funding	No
77	Reapportionment Power Grab	No
78	Fake Rx Drug Discounts	No

June 2006 Primary Election Labor Shows It's Strength, Once Again

The low voter turnout in this election made our grassroots mobilization even more critical. In a Governor's race that was neck and neck going into Election Day it was widely acknowledged that the work of the union members in the streets ultimately made the difference. Our COPE endorsed candidate, Phil Angelides, stood with us against Schwarzenegger's attacks on union members in the Special Election. We remembered that, and stood by him when he needed our support most.

Although we were disappointed with the attack ads from the Steve Westly camp, we never stooped to negative campaigning. We won on the issues – trumping the negative attacks. Post-election polls show that union members voted for Angelides 59%

versus 37% for Westly, while the general electorate vote was 48% for Angelides and 43% for Westly.

The member-to-member campaign also delivered victories in numerous legislative races, including a come-from-behind victory to defeat business-endorsed candidates in both AD 16 and AD 69. The Alameda Labor Council helped elect Sandre Swanson in Assembly district 16, where his main opponent openly pledged to cut employee pensions. In Orange County, labor helped elect Jose Solorio for a second consecutive victory over business candidate Claudia Alvarez--who had actually crossed the picket line during the 2003 grocery strike.

Upon the strength of our primary victories, we now move on to the work of winning the general election in November.

The following COPE endorsed candidates won their Primaries in June 2006:

**United States Representatives
in Congress**

1. Michael C. Thompson (D)
3. William Durston (D)
4. Charlie Brown (D)
5. Doris Matsui (D)
6. Lynn Woolsey (D)
7. George Miller (D)
8. Nancy Pelosi (D)
9. Barbara Lee (D)
10. Ellen O. Tauscher (D)
11. Jerry McNerney (D)
12. Tom Lantos (D)
13. Fortney "Pete" Stark (D)
14. Anna Eshoo (D)
15. Mike Honda (D)
16. Zoe Lofgren (D)
17. Sam Farr (D)
18. Dennis Cardoza (D)
19. TJ Cox (D)
20. Jim Costa (D)
23. Lois Capps (D)
24. Jill Martinez (D)
25. Roberto Rodriguez (D)
26. Cynthia Matthews (D)
27. Brad Sherman (D)
28. Howard L. Berman (D)
29. Adam B. Schiff (D)
30. Henry A. Waxman (D)
31. Xavier Becerra (D)
32. Hilda L. Solis (D)
33. Diane E. Watson (D)
34. Lucille Roybal-Allard (D)
35. Maxine Waters (D)
36. Jane Harman (D)
37. Juanita Millender-McDonald (D)
38. Grace Flores Napolitano (D)
39. Linda T. Sanchez (D)
40. Florice Hoffman (D)
43. Joe Baca (D)
44. Louis Vandenberg (D)
45. David Roth (D)

46. Jim Brandt (D)
47. Loretta Sanchez (D)
48. Steve Young
49. Jeeni Criscenzo (D)
50. Francine Busby (D)
51. Bob Filner (D)
52. John Rinaldi (D)

State Senate by District

2. Pat Wiggins (D)
4. Paul Singh (D)
6. Darrell Steinberg (D)
8. Leland Yee (D)
10. Ellen Corbett (D)
12. Wiley Nickel (D)
16. Dean Florez (D)
22. Gil Cedillo (D)
24. Gloria Romero (D)
26. Mark Ridley-Thomas (D)
32. Gloria Negrete-McLeod (D)
36. Mark Hanson (D)
40. Denise Ducheny (D)

State Assembly by District

1. Patty Berg (D)
3. Mickey Harrington (D)
4. Robert Haswell (D)
7. Noreen Evans (D)
8. Lois Wolk (D)
9. Dave Jones (D)
10. James Cook (D)
11. Mark DeSaulnier (D)
13. Mark Leno (D)
14. Loni Hancock (D)
15. Terrence Coleman (D)
16. Sandre Swanson (D)
17. Cathleen Galgiani (D)
18. Mary Hayashi (D)
19. Eugene Mullin (D)
20. Alberto Terrico (D)
21. Ira Ruskin (D)
22. Sally Lieber (D)
23. Joe Coto (D)

24. Jim Beall (D)
26. Kenneth Goeken (D)
27. John Laird (D)
30. Nicole Parra (D)
31. Juan Arambula (D)
35. Pedro Nava (D)
36. Bo Bynum (D)
37. Ferial Masry (D)
38. Lyn Shaw (D)
39. Richard Alarcon (D)
40. Lloyd Levine (D)
41. Julia Brownley (D)
42. Mike Feuer (D)
44. Anthony Portantino (D)
45. Levin de Leon (D)
46. Fabian Nunez (D)
47. Karen Bass (D)
49. Mike Eng (D)
50. Hector de la Torre (D)
52. Mervyn M. Dymally (D)
53. Ted Lieu (D)
54. Betty Karnette (D)
56. Tony Mendoza (D)
57. Ed Hernandez (D)
58. Charles Calderon (D)
60. Van Tamom (D)
61. Nell Soto (D)
62. Wilmer Amina Carter (D)
64. Paul Rasso (D)
65. Rita Ramirez Dean (D)
66. Laurel Nicholson (D)
67. Ray Roberts (D)
68. John "Paul" Lucas (D)
69. Jose Solorio (D)
70. Mike Glover (D)
71. Charlie LaChance (D)
72. John MacMurray (D)
74. Roxana Folescu (D)
76. Lori Saldana (D)
77. Chris Larkin (D)
79. Mary Salas (D)
80. Steve Clute (D)

III. Building a strong and united union movement in California.

In early 2005, the Federation began a new program to strengthen the state's labor movement. Over the next year, many leaders of California's unions and labor councils created new higher standards of performance in political action and organizing. To oversee Labor's changes, the Executive Council created the Strategic Planning and Evaluation Committee (SPC).

The Role of the SPC Committee is two-fold:

A. Develop a Statewide Strategic Plan

The SPC will develop a biennial statewide strategic plan for organized labor. The strategic plan will include building political campaigns, moving a pro-worker economic agenda, winning legislation to support working families, and supporting organizing. The Committee will develop a process that includes all affiliates, their state and district councils, central labor and building trades councils, and the State Federation in the planning process.

The strategic plan will identify goals for all levels of California's labor movement and will also identify resources and develop a budget to meet those goals.

B. Build Accountability and Develop Resources Needed to Win

The SPC will evaluate the effectiveness of the State Federation, Central Labor Councils, and Affiliated Unions in meeting the goals outlined in the strategic plan. It will certify the State Federation and Labor Councils that achieve the goals for the two-year period.

Included in the Strategic Planning Committees responsibilities are:

- 1) **“Certify” the Central Labor Councils** that are found to have met the goals included in the strategic plan. For any Labor Council that does not achieve certification, the Committee will advise how the Labor Council can achieve certification within a specified timeline. The Committee may also recommend full affiliation for those Labor Councils that are certified.
- 2) **Provide support to Central Labor Councils** in areas where needed to achieve the goals outlined in the strategic plan. Support may include convening local affiliates to identify strategies or placing additional staff in the area to provide assistance.
- 3) **“Certify” the State Federation** if the Federation is found to have met the goals included in the strategic plan. The Committee will also recommend areas for improvement.
- 4) Identify any Central Labor Council or State Federation that **did not achieve certification** and substantially lacks the capacity to achieve certification in the future. Notify the National AFL-CIO who may then consider assuming control over the affairs of the State or Local body.
- 5) **Report the certification status** of the State Federation and local bodies to the National Unions, appropriate state leadership, the AFL-CIO, the California Labor Federation Executive Council and local Central Labor Councils.
- 6) Advise the National AFL-CIO, after consultation with the affected Central Labor Council(s), on any **processes related to the amalgamation** of Central Labor Councils in California.
- 7) **Assess the contributions made by Affiliated Unions** in California toward the goals outlined in the strategic plan. The Committee will report the results of this assessment to the Federation's Executive Council, CLCs, Affiliated Unions and Internationals, and the National AFL-CIO.

2006 California Labor Strategic Planning Committee*

Name	Representing
Michael Mowrey	IBEW, Chair
Louis Paulson	CPF, Vice-Chair
George Landers	UFCW
Dean Tipps	SEIU
Mary Bergan	AFT
John Bonilla	OE Local 3
Lee Pearson	IAM
Chuck Mack	IBT, Vice-Chair
Sherri Chiesa	UNITE HERE
Joseph Aredas	IATSE
Clyde Rivers	CSEA
James L. Weitkamp	CWA
Willie Pelote	AFSCME
Jose Moreno	LIUNA
Art Pulaski	CA Labor Federation
Connie Leyva	CA Labor Federation
Jerry Butkiewicz	San Diego/Imperial Co. CLC
Maria Elena Durazo	Los Angeles Co Fed. of Labor
Tim Paulson	San Francisco CLC
Bob Balgenorth	SBCTC
Gerry Acosta	AFL-CIO Western Region

**The committee thanks Sean Harrigan for his previous service to the committee.*

Strategic Planning Committee

Accomplishments in 2005:

1. Discussion, input and approval of Strategic Planning process by all major labor constituencies. Meetings were held across the state involving local unions, State Councils/Districts/Regions, Central Labor Councils and the California Labor Federation
2. Development of a statewide mandate that calls for planning, reporting, accountability and action by union, labor councils and the state federation based on agreed upon goals for California labor.
3. Higher goals set for 2005 campaign to “Defeat Prop 75” for volunteers, voter ID’s, donations and Release Staff.
4. Polling approved and check-in by committee 6 weeks prior to election to assess and add resources where needed
5. Helped defeat of Prop 75 and all the Governor’s anti-labor initiatives – a victory that most thought impossible at the beginning of 2005.

6. Post-campaign analysis of results and reporting to unions, labor councils and state federation of results
7. Unity and Solidarity Charters:

The leadership of the Strategic Planning Committee are also committed to the continued unity of the California Labor Movement. In the aftermath of the AFL-CIO convention, with the creation of Change to Win, the California Strategic Planning Committee became a leadership group who worked to keep their unions and locals connected and affiliated at the state and labor council level. 99% of all the membership of locals who were affiliated with the California Labor Federation and are now in the Change to Win Federation, remain affiliated through Solidarity Charters.

Strategic Planning Committee

Accomplishments – 2006 to date

1. Raised Goals for Political Campaigns especially in areas of volunteers, worksite program, release staff & letters from local chief officers to their members:
 - 25,000 Volunteers
 - 5,000 Worksite Coordinators
 - 500 Release Staff
 - 1,000 Locals Sending Letters
 - 350,000 Union Voters ID's for labor's candidate
2. Specific goals for all Unions and Labor Councils
3. Developed and Promoting Worksite lead and coordinator training programs
4. Focused on labor council capacity building – Orange County as the first priority
 - Sponsored a leadership summit for all chief officers of Orange County unions
 - Developed an Orange County Strategic Planning Committee of a leader, appointed by their Int'l, of the top 14 unions
 - Working with the Labor Council and Strategic Planning Committee to develop a plan that all agree to, increase affiliations and hire experienced staff.

IV. Legislative Report

In the Legislative arena, Schwarzenegger has held his lockstep with corporate interests and the Chamber of Commerce. In two years, he has vetoed nearly every bill opposed by the Chamber that has reached his desk. He continues to cash the fundraising checks of Chamber members with legislative business before him. Money comes in, vetoes go out.

Much of the Federation's legislative work over the past two years has focused on protecting basic worker protections that the Schwarzenegger Administration has attempted to eliminate through administrative actions.

In December, 2004, just weeks prior to the holidays, the Administration proposed emergency regulations to take away a worker's guaranteed right to a lunch break. We had only five calendar days to respond. Employing a twist of legal language, the administration's proposed rules would only required employers to *inform* workers of their right to a meal period, not to actually provide the lunch break. Workers could be coerced, harassed, or intimidated into signing away their right to a lunch break.

The proposed regulation offered a hidden "gift" to big businesses, especially Wal-Mart, which was concurrently being sued for cheating their workers out of meal breaks. Utilizing arcane law, the Administration attempted to declare that when an employer owed back payment for missed meal periods, payment would be considered a "penalty"

and not a "wage." This change would limit workers' ability to collect their due wages by reducing the time allowed to bring such claims down from three years to one year.

Swift and strong union and public outcry forced Schwarzenegger to withdraw the emergency regulation. Strike One.

However, the Administration remained relentless in their greed-motivated grab at workers' lunch break. The Governor promoted the regulation again, this time through the standard rulemaking timeframe. Under these rules Schwarzenegger was forced to hold three public hearings. In a devious attempt to misinform the public during the hearings, the Administration released a fake "video news release" distributed to the press. The media clip had a fake newscaster promoting the virtues of the lunch break takeaway rules. The Federation sued the Administration for inappropriate use of public funds in preparing the propaganda piece and we won the lawsuit. Strike Two.

Schwarzenegger's lunch break takeaways became a theme against the Governor in the Special Election. Soon after our election victory, the regulations were due to be finalized. After sustained political pressure, the regulations were dropped. Strike Three. Workers prevailed against another Arnold take-away.

Concurrent to the first lunch break attack in December, 2004, Schwarzenegger finalized rules that slashed benefits for severely injured workers by 50%. Up to 30% of injured workers who would have previously received permanent disability benefits have been dropped out of the system and receive no benefits. Of the remaining 70% of workers, permanent disability benefits are cut in half.

When he first proposed changes to the Workers' Comp system, Schwarzenegger promised to preserve the benefits to injured workers. This new permanent

disability-rating schedule violates his pledge and the deal he made with the Legislature. It also violates the law.

The Federation will continue our campaign to restore permanent disability benefits so that injured workers can again live in dignity and afford to feed their families.

Below are the bills the Federation sponsored in 2005-06.

2005 Legislative Agenda

Fighting for a Better California

Keeping Good California Jobs

Hire California workers. Taxpayer dollars should be used to create good jobs in California. Companies that receive state contracts should seek to hire California workers first. **AB 1654 (De La Torre)** would grant a bid preference for state contractors who hire Californians to do the work. More than a dozen other states provide some sort of preference for state vendors and contractors who employ in-state workers. **Status:** *Failed in Assembly Appropriations.*

Track the offshoring of jobs. Offshoring continues to eliminate good California jobs. Some state taxpayer funds are even being used to create jobs in other countries. Yet, the state does not track this data. **AB 524 (Chan)** would require state contractors to report back to the state (1) the number of workers they hire outside the U.S. and (2) information about any subcontracted work that is performed. **Status:** *Vetoed by Governor.*

Reduce the cost of workers' compensation insurance. Recent changes in the workers' compensation system have denied medical treatment to injured workers and reduced permanent disability benefits from those most seriously injured. These changes were enacted to bring down the cost of workers' comp insurance for employers. This bill will guarantee that cost savings are passed on to employers. **SB 46 (Alarcon)** would stabilize and reduce the price of workers' comp insurance in California. **Status:** *Defeated in Assembly Insurance.*

Increase the minimum wage. California currently pays the lowest minimum wage of all West Coast states – Washington, Oregon, Connecticut, and Alaska all have higher minimum wages. The current minimum wage of \$6.75 per hour falls far short of what workers need to support a family. California must increase our minimum wage. **AB 48 (Lieber)** would increase our minimum wage from \$6.75 to \$7.75 over two years, and then index it to the cost of living.

Status: *Vetoed by Governor.*

Ensuring Corporate Responsibility

Enforce our state's labor laws. Each year, scofflaw employers steal millions of dollars from our state treasury by cheating on payroll, unemployment, workers' compensation, and business taxes. In difficult economic times, the underground economy grows as employers cut corners and disobey state laws. Too often, an employer who cheats on income taxes also cheats on other required state taxes. **AB 875 (Koretz)** would require the Labor Agency and Franchise Tax Boards to develop protocols where certain labor law violations would trigger a tax audit of the employer. **Status:** *Vetoed by Governor.*

Require corporations to pay their fair share of taxes. Publicly held corporations report two different incomes – high profits to their shareholders and no profits to tax collection agencies. Requiring corporations to pay state taxes on the “book income” reported to their shareholders would (1) boost state revenues, and (2) reduce the incentive to mislead shareholders. Corporate meltdowns like Enron, WorldCom, and Tyco could be avoided by requiring honest reporting of corporate incomes. **AB 675 (Klehs)** would require the Franchise Tax Board to study the effect of public corporations paying state taxes on their book income. **Status:** *Two-year bill. Held in Senate Revenue and Taxation.*

Protecting meal period rights. **ACR 43 (Horton)** declares (1) that the Division of Labor Standards Enforcement (DLSE) lacks the authority to promulgate its proposed meal break regulation, (2) that such authority belongs to the Legislature or the Industrial Welfare Commission (IWC), and (3) that the proposed regulation is inconsistent with current law. **Status:** *Passed by Assembly.*

Creating Access to Affordable and High Quality Health Care

Make prescription drugs more affordable. Prescription drugs are one of the primary cost-drivers behind skyrocketing health care costs. The pharmaceutical industry remains one of the most profitable in the world, and their profits continue to rise. We will continue to convene the **OURx Bill of Rights** coalition, an alliance of union, consumer, and

senior organizations that are fighting for meaningful prescription drug reform. We will support and highlight any legislative measures to lower drug costs, expand access and improve drug safety. We will also expose any industry-backed measures that boost pharmaceutical company profits without providing meaningful benefits to individual Californians. **Status:** *An OURx bill that ensures supplemental rebates on certain AIDS and cancer drugs was signed by the Governor. Three of the bills were vetoed by the Governor, three failed and seven are still in committee.*

Prevent employers from shifting their responsibilities onto taxpayers. When businesses fail to provide their workers with good wages and health care benefits, those workers are forced on public assistance. The end result: taxpayers pay the price for workers who end up relying on public health and financial assistance programs. A recent UC Berkeley study documented nearly \$100 million in California taxpayer subsidies to a single corporation – Wal-Mart. Taxpayers have a right to know which corporations are profiteering at taxpayer expense. **AB 89 (Horton)** would require the disclosure and annual reporting of employer names whose workers receive certain public assistance while retaining worker privacy. **Status:** *Vetoed by Governor.*

Maintaining the Safety Net

Oppose the privatization of Social Security. Social Security, America's most successful social program, protects families when a worker retires, becomes disabled or dies. Its benefits are lifelong, guaranteed, and unmatched by any other type of insurance or investment available on the private market. The Bush Administration is seeking to undermine Social Security by privatizing it. Privatization would force workers into risky and expensive private investment accounts with far higher administrative costs. The Bush proposal is likely to raise the retirement age, cut benefits, and raise taxes or run up huge new federal deficits. **Assembly Joint Resolution 13 (Torrico)** would put California on record opposing the privatization of Social Security. **Status:** *Passed by the Assembly.*

2006 Legislative Agenda Rebuilding the California Dream

Raising the Standard of Living

Increase and index the minimum wage – AB 1835 (Lieber) and SB 1162 (Cedillo). Minimum wage earners shouldn't have to wait for an election year to get a raise. The minimum wage must be increased and tied to the cost of living to maintain purchasing power for our lowest paid workers. California should join our neighboring states of Washington and Oregon where they already index the minimum wage. Each of these bills would increase the minimum wage from \$6.75 to \$7.75 and then index it to the cost of living.

Status: AB 1835 (Lieber) to be heard by Senate Appropriations Committee. SB 1162 (Cedillo) is on suspense in Assembly Appropriations Committee.

Defending Workers' Rights

Fairness for injured workers. California's workers' compensation system has been fundamentally changed at workers' expense. Benefits for severely injured workers have been slashed, most employees are forced to see a company doctor, and medical care is being inappropriately denied. Employers are saving considerably under this new system, insurance companies are reaping historic profits, and injured workers are left to suffer.

Clearly, some modifications to the worker's compensation system are necessary. Two years have passed since the enactment of SB 899 and aspects of its implementation have now been studied. Given this data, Labor has crafted three priorities:

1. **Maintaining the right to see our own doctor – AB 2068 (Nava).** A worker's right to pre-designate his or her own doctor will sunset April 30, 2007, unless a bill is signed. A December 2005 Public Policy Institute of California study documents that the current pre-designation right is tailored to minimize costs and maximize patient satisfaction. This bill would eliminate the sunset date for the right to see our own doctors if we get injured. **Status:** To be heard on the Senate Floor.

2. **Permanent Disability (PD) Rating Schedule modifications – SB 1730 (Perata).** The permanent disability system, the safety net for the most severely injured workers, has been slashed. Data for all PD ratings in 2005 document that, on average, benefits are being cut by 50%. We must guarantee that PD benefits are adequate and based on empirical wage loss data, not on partisan politics. The Commission on Health and Safety and Workers' Compensation has recently released a study that provides a methodology for minor modifications to the PD schedule that will offer major relief for severely injured workers. **Status:** In Rules Committee.

3. **Timely and appropriate medical care – SB 1781 (Alarcon).** Injured workers are routinely facing delays and outright denials of medical treatment. Insurance companies drag their feet to approve care, often sending doctor's treatment decisions to out-of-state physicians or insurance claims adjusters for review. Injured workers must be guaranteed timely and appropriate medical care. **Status:** In Rules Committee.

Protecting the Public's Right to Know

Economic impact of superstores– SB 1523 (Alarcon). Superstores can dramatically impact the communities they move into. Too often, cities across California do not realize how these enormous stores will impact locally owned businesses, workers, or the local economy until it is too late. This bill would require superstore retailers to contract for a complete economic impact report so that local communities have access to the information they need to make decisions in their best economic interests. **Status:** To be heard by Assembly Appropriations Committee.

Health Care Disclosure Act – AB 1840 (J. Horton). The public needs to know which corporations are relying on taxpayer-funded healthcare programs for their employees rather than providing affordable health benefits themselves. This bill would report the names of employers whose employees receive Medi-Cal or Healthy Families benefits. **Status:** *To be heard by the Senate Appropriations Committee.*

Holding Corporations Accountable

Taxing on Book Income – AB 675 (Klehs). Corporations currently report two sets of income – one to their shareholders (book income) and one to the tax collecting agencies. Companies like Enron and WorldCom presented record profits to their shareholders, but appeared broke to tax collectors. Reconciling book and tax incomes would increase corporations' accountability to their shareholders and prevent profitable corporations from evading state income taxes. This bill would require publicly held corporations to itemize the differences between their book and tax incomes to the Franchise Tax Board, or face stiff penalties. **Status:** *To be heard by Senate Appropriations Committee.*

Corporate political accountability – SB 1354 (Dunn). Corporations outspend unions 24 to 1. Union members already have the right to know how their dues are being used for political purposes and have the right to opt out of political contributions. Corporate shareholders, on the other hand, do not have the same rights. This bill would hold publicly owned corporations to the same standards that unions currently follow. **Status:** *Failed 5-3 in Assembly Banking and Finance Committee on June 26. Calderon and Chavez did not support the measure.*

Fostering Good Government

Initiative Reform – AB 2946 (Leno). The State's initiative process is out-of-control. Designed as a populist tool, the initiative process is now controlled by financial interests. Qualifying an initiative for consideration by all California voters merely takes millions of dollars to "buy" signatures. Signature gatherers are paid a bounty for each signature they reap. Using such a bounty-based system creates incentives for initiative proponents to utilize dishonest means to gather signatures. This bill would require: (1) signature gatherers to be paid on an hourly basis, (2) gatherers to disclose the funders of the initiative, (3) disclosure of paid or volunteer signature gatherers, and (4) signature gathering companies and initiative proponents both to be held legally liable for violations. **Status:** *To be heard by Senate Appropriations Committee.*

V. Economic Development

Building Economic Power and Shared Prosperity

California's unions, labor-management trusts, and labor councils play a central role in forming the local, regional, and state socio-economic landscape. They convene broad partnerships; address skill development needs of workers in key industries; provide immigrant and lower income communities with access to good jobs; and they have a central stake in the competitiveness of signatory employers and industries.

Though labor drives much of the training and economic development in high-growth and high-wage industry sectors in California, we are often disconnected from the broader public-funded workforce development system. This is not a failure of unions, management, or government, but a function of the need for an intermediary that can broker effective partnerships among these three foundational entities.

The purpose of the California Labor Federation's *Workforce & Economic Development Program (WED)* is to serve as this intermediary – to broker partnerships among labor organizations and training trusts, employers in key industries, community organizations, research and education entities, and public agencies for sustainable regional economic development. California annually invests over \$4 billion in training & education through disparate state, local, public and private efforts. WED's mission is to connect and align these efforts, with the understanding that no one union, organization, or public agency can alone address the needs of workers or the workforce needs of business and industry.

WED's 2005-2006 program year led the state's unions in several achievements. WED established new labor-management-government training initiatives; connected and coordinated local Workforce Investment Boards (WIBs) with unions

and employers to serve approximately 9,800 dislocated union workers represented by over 200 union locals; recruited union and employer representatives to serve on local WIBs; convened WIB labor representatives for practice sharing and training; trained over 100 WIB dislocated worker staff; played a central role in developing statewide policy; and hosted a successful Building Workforce Partnerships event that trained over 300 participants on industry-sector-focused training initiatives, layoff aversion and rapid response practices, and building sector initiatives targeted to renewable energy and "green" jobs.

WED will continue to build upon this body of work in the next program year, proactively and strategically approaching workforce and economic development - working to avert layoffs and retain good companies and union jobs; building stronger and broader local alliances; reaching into underserved communities and removing barriers to sustainable employment.

VI. Organizational Initiatives

University of California Labor Institute.

Created from Federation lobby efforts in 2000 as a statewide, multi-campus research program devoted to labor education and research, the UC Institute for Labor and Employment has survived numerous budget cuts during our state's budget crisis.

Schwarzenegger continued the attacks on the Labor Institute, targeting it for elimination in the near future. Even the University has at times viewed the Institute with ambivalence, failing to defend it from right-wing political attacks and attempting to limit its functions to research, in violation of the University's own principle of academic freedom.

In June 2006, following another legislative campaign led by the federation, Schwarzenegger has signed the 2006-07 budget and it includes \$6 million in funding for the UC Labor Institute, to support labor research and labor education. Achieved through the leadership of Assembly Speaker Fabian Nunez, the

budget restores the Institute to its original funding level. Later in 2006, we intend to rename the Institute in memory of Miguel Contreras of the Los Angeles County Federation of Labor.

With this funding, the Institute will build on its research to address the challenges facing California workers and our economy. Groundbreaking work on health care, low wage work, and workers' rights has been and will continue to be used for policy development and advancement. Important dialogues, convenings, and conferences will be hosted. Programs to support labor's development, such as the Union Leadership School and summer internship programs can be expanded and improved.

California Alliance for Retired Americans

The California Alliance for Retired Americans (CARA) is the most exciting, powerful, and progressive senior organization in California. Since

its founding on November 8, 2003, CARA has recruited over 120 affiliates representing 750,000 seniors. CARA has devoted its resources to educating and training its members for town hall forums on Social Security, pickets at the offices of supporters of Social Security privatization, like Richard Pombo and Bill Thomas, and workshops on the Medicare Part D prescription drug benefits and why they need to be redesigned.

CARA has developed the organizational structure and capacity to activate its members on important legislative and political causes. Through programs like the CARA Action Teams (CATs), the CARA Captains, the CARA Alert newsletter, and an engaged 21-member Board of Directors, this organization has been able to sponsor and advance key legislation. CARA and its Legislative Committee took a leadership role in sponsoring and supporting bills to expand access to health care, control the costs of prescription drugs, and build affordable housing opportunities.

VII. Scholarship Program

In 2005, through the generous support of affiliated unions and councils, 24 winners from hundreds of high school applicants were awarded a total of \$48,000.00 in scholarship money. The scholarships went to graduating seniors from California high schools with the top essays on the impact of unions on the United States in the last fifty years.

The scholarship program is run in coordination with the California Federation of Teachers and seeks to encourage the teaching of labor history by distributing teaching resources and rewarding student research.

VIII. Business of the Executive Council

The Executive Council met five times in person and in numerous conference call meetings to conduct the challenging business of the Federation since the last Biennial Convention.

The Council met on July 12, 13 and 14, 2004 at the San Diego Holiday Inn by the Bay as part of the 2004 Biennial Convention. At this meeting, the Council prepared endorsement and policy recommendations to the Convention.

The Convention elected the Federation's first woman President Connie Leyva of UFCW Local 1428 to replace retiring President Tom Rankin and elected a Unity Slate including several new Council members to replace retiring Vice-Presidents, as follows:

- Mike Garcia of SEIU Local 1877 was elected to seat F in District 3
- Louis Paulson of the California Professional Firefighters was elected Vice-President at-Large
- Sal Rosselli of SEIU-United Healthcare Workers West was elected Vice-President at-Large
- Joseph Aredas of IATSE District 2 was elected to seat A in District 3
- Melissa Gilbert of the Screen Actors Guild was elected to seat D in District 3
- Tyrone Freeman of SEIU Local 434b was elected to seat C in District 3
- Jerry Butkiewicz of the San Diego Labor Council was elected Vice-President at-Large

The Council met on January 13, 2005 at the Holiday Inn Capitol Plaza in Sacramento.

Cristina Vazquez resigned as Vice President at-Large and Clyde Rivers of the newly affiliated California School Employees association was elected to fill the vacancy. Highlights of the meeting include:

- Creation of an ad hoc committee to evaluate and strengthen the effectiveness of labor in California
- Commitment to oppose Schwarzenegger's anti-union attacks.
- Approval of the Finance Committee's recommendation to adopt the Federation's 2-year budget
- Discussion and adoption of a preliminary 2005 Legislative Agenda
- Introduction of the California Health Care Coalition, formed under the auspices of the California Works Foundation to unify employer and union power behind a cost and quality agenda for our members
- The addition of Future Ford of Concord to the statewide boycott list

The Council met on May 4, 2005 at the Holiday Inn Capitol Plaza.

The Council's discussions centered around:

- Opposition to the Schwarzenegger anti-worker attacks and preparations for a possible November special election
- Review of the Building Labor Committee's meetings on February 5, March 14, and April 29 and adoption of their draft recommendations to create a statewide Strategic Planning Committee independent of the Executive Council to help strengthen cooperation between affiliates and labor bodies.

- Progress of the Federation's legislative efforts
- Addition of several consultants to the statewide "We Do Not Patronize List" for their work supporting Sutter Health care against SEIU-UHW. The firms include:
 - Bicker, Castillo and Associates
 - Ziegler Associates
 - Reputation, LLC
 - Marchese Associates

The Council met on December 19, 2005 at the Millennium Biltmore Hotel in Los Angeles.

Martin Ludlow of the Los Angeles County Federation of Labor was elected Vice President, seat B, District 3 to fill the vacancy left by the tragic, untimely death of Miguel Contreras. The Council focused on:

- Preparations for the 2006 Pre-Primary Convention in Oakland
- November election debrief
- Report on the first meeting of the new Strategic Planning Committee
- An update on the Solidarity Charter Program
- Preliminary discussion of the Federation's 2006 Legislative platform

The Council met on March 6 & 7, 2006 at the Oakland Airport Hilton Hotel to conduct interviews of candidates for statewide office and to prepare endorsement recommendations to the Convention.

IX. Support For Union Disputes

Do Not Patronize List

The consumer boycott is one of the most powerful tools the labor movement has. The goal is to adversely impact sales and revenue for the boycotted firm. A boycott must be organized across a broad coalition in order to be successful. It is for this reason that the Federation manages a statewide Do Not Patronize List.

Firms are placed on the list in response to written requests from affiliates through their central labor council, and only after approval by the Federation's Executive Council. Affiliates are urged to inform the Federation of any contract settlements or other developments that would warrant the removal of any firm from the list.

Currently under boycott

Law Firms

Goyette and Associates – 11344 Coloma Road, Suite 145, Gold River

Restaurants and Hotels

De Anza Hotel - 233 West Santa Clara Street, San Jose

Mariani's Inn and Restaurant – 2500 El Camino Real, Santa Clara

Retailers

Wal-Mart and Sam's Club

K-Mart

Car Dealers

Future Ford - 2285 Diamond Blvd, Concord

Consultants

Marchese and Associates

Bicker, Castillo and Associates – 1121 L Street, Sacramento

Reputation, LLC - 1375 Sutter St, Suite 330, San Francisco

Ziegler and Associates -1215 K Street, Suite 1170, Sacramento

X. Legal Actions

Pulaski et al. v. Hoch - This original petition filed with the California State Supreme Court sought to overturn the anti-worker permanent partial disability rating system for work related injuries adopted by the Schwarzenegger administration in 2004.

Westside Concrete v. Department of Industrial Relations et al – A successful original Petition to the California State Supreme Court to depublish a Court of Appeal decision which opined that Opinion Letters of the Division of Labor Standards Enforcement favorable to the rights of workers might constitute unlawful underground regulations.

Carpenters et al v. NLRB/NLRB v. Macerich Mangement Company et al – An Amicus Brief filed with the Ninth Circuit supporting claims by labor organizations that the NLRB was prohibiting expressive activity at shopping malls in violation of the California Constitution.

California Labor Federation et al v. California Labor & Workforce Development Agency et al - The Labor Federation, together with CNA and SEIU-UHW, successfully challenged Governor Schwarzenegger's Labor Agency's use of taxpayer money to produce fake video news releases (VNR) to promote policies that benefit corporate donors to the detriment of employees in all industries. The Sacramento Superior Court issued a peremptory writ of mandate requiring the Labor Agency to (1) remove the meal and rest periods VNR from the website of the Department of Industrial Relations and cease any further distribution of the VNR and (2) refrain from producing and distributing VNRs that use comments by members of the public to support and advocate for adoption of proposed or emergency regulations, prior to or during the public comment period and public hearings. The Court also ordered the Labor Agency to pay the cost and fees expended to bring the suit.

Murphy v. Kenneth Cole Productions, Inc. - The Labor Federation argued to the Court of Appeal that section 226.7's remedy was not a penalty but rather constituted compensation. Interpreting meal break compensation as a penalty contradicts the plain language of the statute, conflicts with the manner in which remedies are defined in the statutory scheme, and mischaracterizes the legislative history. The plaintiff is currently seeking review in the California Supreme Court.

Orco Block Co., Inc. v. Superior Court - Amicus brief submitted on behalf of the employee arguing that the missed breaks constituted compensation not penalties. Case was returned to the trial court where it was settled by the parties.

Financial Statement

Summary of Cash and Short Term Investment Balances For the 24 Months Ending December 31, 2005

	General Fund	COPE	Member Communications	Combined
Checking Accounts	76,741	82,376	565,047	724,163
Deposit and Investment Accounts	960,225	1,416,204	226,502	2,602,932
Totals	\$1,036,966	\$1,498,580	\$791,549	\$3,327,095

Statement of Cash Receipts and Disbursements For the 24 Months Ending December 31, 2005

	General Fund	COPE	Member Communications	Combined
<u>RECEIPTS</u>				
Per Capita Tax - Local Unions	5,442,919	2,015,983	2,016,009	9,474,911
Membership Fees - Councils	4,426	0	0	4,426
Campaign Receipts	8,018	28,500	(84,900)	(48,383)
Interest Earned	30,029	37,964	17,623	85,616
Legislative Conference	118,190	0	0	118,190
Scholarship Receipts	0	0	0	0
Other Events & Programs	0	0	0	0
Reimbursed Exp & Other Income	297,185	9,801	0	306,985
TOTAL RECEIPTS	\$5,900,767	\$2,092,248	\$1,948,732	\$9,941,747

EXPENSES

Personnel

Staff Salaries	2,239,476	685,235	0	2,924,711
Benefits & Taxes	1,082,368	330,450	0	1,412,818
Expenses and Allowances	6,750	0	0	6,750
Automobile Expenses	26,036	26,147	0	52,183
Travel	161,102	66,032	0	227,134
Professional Services	311,916	6,429	33,000	351,345
Other Personnel	29,806	23,791	0	53,597
Total Personnel	\$3,857,455	\$1,138,083	\$33,000	\$5,028,538

(Continued)	General Fund	COPE	Member Communications	Combined
Office				
Rents & Improvements	825,455	7,464	0	832,919
COPE Prorata Reimbursement	(128,748)	134,998	0	6,250
Furniture & Equipment	17,185	1,890	0	19,075
Computer Equip & Infrastructure	15,715	4,817	0	20,532
Printing	66,868	9,648	30,642	107,159
Equipment Lease	101,867	717	0	102,584
Postage & Delivery	34,529	17,077	124,387	175,993
Stationery & Supplies	45,315	167	0	45,483
Office Telephone	72,247	20,269	0	92,515
Cell phone & Pager	27,501	11,673	0	39,174
Fax, Modem & Internet	50,898	3,603	44	54,544
Library	0	0	0	0
Total Office	\$1,128,831	\$212,323	\$155,072	\$1,496,227
Projects & Events				
Convention	73,976	10,105	0	84,080
Executive Council	9,492	0	0	9,492
Support for Grant Programs	715	0	0	715
Other Events & Programs	22,261	7,047	0	29,308
Total Projects & Events	\$106,444	\$17,152	\$0	\$123,596
Legislative				
Legislative Conference	133,168	0	0	133,168
Legislative Information	12,749	0	0	12,749
Lobbyists	12,989	0	0	12,989
Total Legislative	\$158,906	\$0	\$0	\$158,906

(Continued)	General Fund	COPE	Member Communications	Combined
Contributions	469,996	150,338	0	620,334
Coordinated Campaigns	27,681	0	1,416,931	1,444,611
Polling, Research & Data	0	67	363,218	363,285
CLC Support	397	5,000	136,500	141,897
Retiree Representative	10,511	0	0	10,511
Taxes	3,859	6,223	0	10,082
Dues, Subscriptions & Publications	38,901	808	0	39,709
Scholarship Program	0	0	0	0
Insurance	12,534	0	0	12,534
Auditing & Accounting	68,460	2,115	0	70,575
Legal	142,878	13,604	0	156,482
Other	9,984	9,283	(57)	19,210
Total Other Items	\$785,199	\$187,438	\$1,916,591	\$2,889,229
TOTAL EXPENSES	\$6,036,836	\$1,554,996	\$2,104,664	\$9,696,496
NET INCOME (LOSS)	\$(136,069)	\$537,252	\$(155,932)	\$245,251

Appendix A

Original Resolutions

Listing of Original Resolutions submitted to the California Labor Federation

Support S.B. 840: California's Universal Health Care Bill (Kuehl) And H.R. 676: Expanded & Improved Medicare For All Act (Conyers)

Resolution No. 1 — Presented by the South Bay Labor Council, San Jose.

WHEREAS, health care access should be a human right and not a privilege available only 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, 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, S.B. 840, The Universal Health Care Bill, by Senator Sheila Kuehl would establish a health care plan in California that would save billions of dollars and extend health care coverage across the board to all by

- 1 consolidating administration, finance, insurance risk and purchasing power; and
- 2 providing universal access for primary and preventive care; and
- 3 establishing a state health care budget; and
- 4 initiating statewide health care planning; and

WHEREAS, Similar legislation, H.R. 676, the Expanded and Improved Medicare For All Act, otherwise known as the U.S. National Health Act has been proposed in Congress by long time labor supporter, Rep. John Conyers of Michigan; and

WHEREAS, the South Bay AFL-CIO Labor Council and all unions are struggling with spiraling health care costs and we have seen the suffering of 70,000 grocery workers in a bitter four month strike over the cost of health care which has become a crucial contract issue nationwide; and

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

RESOLVED, that we support S.B. 840 as a highly desirable health care solution for Californians and we also strongly affirm the need to remove the health care obstacle from the bargaining table nationwide by supporting H.R. 676 as steps toward establishing a non-profit, publicly financed national health care plan that guarantees comprehensive, lifetime care for all; and be it further

RESOLVED, that we send this resolution to our representatives in the California Legislature and in Congress and that we call upon our local Labor Councils, the California State Federation of Labor, the California State Pipe Trades Council, the U.A. and the AFL-CIO to adopt this position and support H.R. 676 for nationwide, comprehensive health care coverage as a human right for all.

Referred to the Committee on Legislation.

Resolution Opposing Proposition 85

Resolution No. 2 — Presented by the San Mateo Labor Council, Foster City; and the San Francisco Labor Council, San Francisco.

WHEREAS, working women require access to a full range of health care to ensure workforce stability; and

WHEREAS, a major type of health care for most working women is reproductive health services; and

WHEREAS, the safety of teens is a significant concern for parents, working men & working women; and

WHEREAS, in 2005, an initiative (Prop. 73) attempted to restrict young women's access to abortion and was defeated by the narrowest margin of any initiative that year; and

WHEREAS, once again proponents have placed an amendment to the California Constitution on the November 2006 ballot that requires parents of minors to be notified 48 hours before an abortion

and puts at risk teens seeking access to reproductive health services; and

WHEREAS, all parents rightly want to be involved in their teenage daughters' lives, good family communication cannot be imposed by government; and

WHEREAS, if a teenager gets pregnant, our first concern must be for her safety; and

WHEREAS, when parental notification laws make teenagers choose between talking with parents or having illegal and unsafe abortions, some teens choose the illegal abortion even though it is a threat to their lives; and

WHEREAS, the real answer to teen pregnancy is prevention and strong, caring families, not new laws that endanger our daughters; and

WHEREAS, the California Labor Federation has the capacity to lobby and organize its members to oppose this initiative; therefore be it

RESOLVED, that San Francisco Labor Council is on record of being in opposition to Proposition 85 and calls on the California Labor Federation to take a position in opposition to Proposition 85 and to work with established coalition partners in California to defeat this unsafe initiative in November 2006; and be it finally

RESOLVED, the San Francisco Labor Council send this resolution to its affiliates and local central labor councils urging their adoption of it as well.

Referred to the Committee on Resolutions.

Resolution In Support Of SB 840 (Kuehl's Health Care Plan to Cover All Californians)

Resolution No. 3 — Presented by the San Francisco Labor Council, San Francisco; and the San Mateo Labor Council, Foster City.

WHEREAS, California's health care system is in decline as evidenced by steeply rising health insurance premiums, increasing numbers of uninsured who will soon represent 1 in every 4 Americans, and declining quality of care for both insured and uninsured California's; and

WHEREAS, a lack of health insurance is a substantial barrier to receiving health care and has been a proven cause of poor health outcomes and increase mortality; and

WHEREAS, most insured are members of working families whose employers do not provide health insurance benefits; and

WHEREAS, people who have insurance are very worried of losing it due to declining employer offered coverage and employment instability; and

WHEREAS, health insurance premiums are growing by double digit margins each year such that growth in health care spending is the single greatest problem facing California's economy; and

WHEREAS, the United States is the last industrial nation in the world yet to establish a health care plan to cover all residents and the United States spends twice as much on health care as every other industrial nation; and

WHEREAS, Senate Bill 840 (Kuehl) is California's plan to establish a system of health insurance for every resident of the state, while stabilizing the growth in health care spending, and improving quality at the same time; and

WHEREAS, current spending is plenty of money to cover all residents with comprehensive health benefits under this model. The problem is not that we do not spend enough money, it is that we waste so much of what we do spend; and

WHEREAS, this model has been tested in every other industrial nation in the world, and in the United States through Medicare and Veterans Administration; and

WHEREAS, this model is funded by consolidating all public monies spent on health care and replacing the premiums, co-payments and deductibles paid to insurance companies with premiums paid to this system; and

WHEREAS, an independent financial analysis found that the cost of providing coverage to the uninsured and underinsured would be more than offset by savings resulting from administrative implication bulk purchasing of prescription. This analysis also determined that his model would provide savings to California businesses, consumers and government; and

WHEREAS, this single-payer medical model has also been introduced by Congressman John Conyers, Jr. (HR676) has been endorsed by 154 union organizations including 28 central labor councils, two state AFL-CIO Federations (Kentucky and Pennsylvania), 3 area labor federations and most recently the United Auto Workers (UAW), International Union, AFL-CIO; therefore be it

RESOLVED, that the San Francisco Labor Council supports the passage of SB 840 and urges the State Legislature and the Governor to adopt this critical legislation; and be it further

RESOLVED, that the San Francisco Labor Council urges its affiliates and local central labor councils to support the passage of SB 840; and be it further

RESOLVED, that the San Francisco Labor Council submits this resolution to the 2006 California State Federation of Labor's Bi-Annual COPE Convention for its support; and be it finally

RESOLVED, that the San Francisco Labor Council will continue to educate, organize, mobilize and lobby for support of SB 840, a single-payer system, as the best solution to California's health care crisis.

Referred to the Committee on Legislation.

Resolution In Support Of SB 840 (Kuehl's Health Care Plan to Cover All Californians)

Resolution No. 4 — Presented by AFSCME District Councils 36 and 57, UAPD, UNAC, MWD, UDW and UC Local 3299 and AFSCME California State Council, Sacramento.

WHEREAS, California's health care system is in decline as evidenced by steeply rising health insurance premiums, increasing numbers of uninsured who will soon represent 1 in every 4 Americans, and declining quality of care for both insured and uninsured California's; and

WHEREAS, a lack of health insurance is a substantial barrier to receiving health care and has been a proven cause of poor health outcomes and increase mortality; and

WHEREAS, most insured are members of working families whose employers do not provide health insurance benefits; and

WHEREAS, people who have insurance are very worried of losing it due to declining employer-offered coverage and employment instability; and

WHEREAS, health insurance premiums are growing by double digit margins each year such that growth in health care spending is the single greatest problem facing California's economy; and

WHEREAS, the United States is the last industrial nation in the world yet to establish a health care plan to cover all residents and the United States spends twice as much on health care as every other industrial nation; and

WHEREAS, Senate Bill 840 (Kuehl) is California's plan to establish a system of health insurance for every resident of the state, while stabilizing the growth in health care spending, and improving quality at the same time; and

WHEREAS, the current spending is plenty of money to cover all residents with comprehensive health benefits under this model. The problem is not that we do not spend enough money, it is that we waste so much of what we do spend; and

WHEREAS, this model has been tested in every other industrial nation in the world, and in the United States through Medicare and Veterans Administration; and

WHEREAS, this model is funded by consolidating all public monies spent on health care and replacing the premiums, co-payments and deductibles paid to insurance companies with premiums paid to this system; and

WHEREAS, an independent financial analysis found that the cost of providing coverage to the uninsured and underinsured would be more than offset by savings resulting from administrative implication bulk purchasing of prescription. This analysis also determined that this model would provide savings to California businesses, consumers and government; now, therefore be it

RESOLVED, that the California Labor Federation hereby supports the passage of SB 840 and urges the State Legislature and the Governor to adopt this critical legislation; and be it further

RESOLVED, that the California Labor Federation urges our state and local legislators to become active endorsers and proponents of SB 840; and all of its local unions and affiliates to support the passage of SB 840; and be it further

RESOLVED, that the California Labor Federation hereby encourages our citizens and residents to become familiar with SB 840; and be it finally

RESOLVED, that the California Labor Federation is directed to send a copy of this resolution to all legislators, Senator Kuehl, and Governor Schwarzenegger.

Referred to the Committee on Legislation.

Resolution Supporting A Recount In The Mexican 2006 Presidential Election

Resolution No. 5 — Presented by the San Francisco Labor Council, San Francisco.

WHEREAS, the San Francisco Labor Council has provided concrete assistance to insure the participation of Sisters and Brothers of Mexican Nationality in the Mexican Presidential Election 2006; and

WHEREAS, these sisters and brothers traveled over 1,000 miles to secure their voting rights in said elections; and

WHEREAS, complaints of election irregularities including, but not limited to, uncounted ballots and corporate media manipulation have been submitted and raised in said election; and

WHEREAS, the issue of election irregularities and the exclusion of the disenfranchised is an increasing component of many elections here and abroad; and

WHEREAS, the progressive Mexican Union Movement, the UNT, has supported the call for a recount and has asked for support from all other labor organizations nationally and internationally; therefore be it

RESOLVED, the San Francisco Labor Council supports the demand of a recount in the Mexican Presidential Election 06 vote by vote (voto por voto); be it further

RESOLVED, this resolution shall be forwarded to the California Federation of Labor and all other affiliated bodies for their consideration and adoption.

Referred to the Committee on Resolutions.

Resolution to Endorse and Support LaborTECH 2006

Resolution No. 6 – Presented by the San Francisco Labor Council, San Francisco.

WHEREAS, organized labor is under attack in it's right to organize and freedom of association is also under assault; and

WHEREAS, the issues of privatization, deregulation and union-busting facing working people are crucial to illuminate in the media from a labor point of view; and

WHEREAS, labor needs to develop it's own labor media and communication networks in order to get our media out and break the information blockade; and

WHEREAS, LaborTech (www.labortech.net), which holds regular educational conferences on labor union use of communication technology, will be having an international labor educational conference at the University of San Francisco on November 17, 18 & 19, 2006; and

WHEREAS, this labor communication conference is endorsed by OPEIU Local 3, SEIU 535, NALC Local 214, California Faculty Association, the California Federation Of Teachers and other labor organizations; and

WHEREAS, the San Francisco Labor Council has endorsed and supported previous LaborTech conferences; therefore be it

RESOLVED, that the San Francisco Labor Council will endorse LaborTech 2006 and will seek concurrence from the California Federation of Labor and all other affiliated organizations.

Referred to the Committee on Resolutions.

Executive Committee Resolutions

Support of Labor's 2006 and Beyond Strategic Plan for California

Resolution No. 7 - Presented by the Executive Council of the California Labor Federation, AFL-CIO, Oakland

WHEREAS, the last two years have been an intense political period characterized by a series of attacks by Governor Arnold Schwarzenegger against workers; and

WHEREAS, time and time again Big Business forces have proven willing to spend endless resources to promote anti-union policies and initiatives; and

WHEREAS, the Labor Movement is needed, now more than ever, to give hope to the millions of workers who want a voice at work and a voice in the decisions that affect our communities; and

WHEREAS, the Executive Council has formed a Strategic Planning Committee which has met over the last 18 months to establish an historic new program to build a stronger union movement across California; and

WHEREAS, the Strategic Planning Committee has recommended the creation of higher standards of performance in politics, legislation and organizing for the entire movement and spirit of "mutual accountability" to achieve them; therefore be it

RESOLVED, that this 26th Biennial Convention of the California Labor Federation, AFL-CIO, support a Strategic Plan for 2006 to build labor's campaign capacity in California that will lead the nation in model political action beginning with this November's election and beyond; and be it further

RESOLVED, that the 2006 Strategic Plan calls for the statewide mobilization of 25,000 volunteers, 5,000 Worksite Coordinators, 1000 Locals sending letters from Chief Officers to their members, and the release of 500 staff for last 8 weeks of campaign; and be it further

RESOLVED, that the 2006 Strategic Plan calls for each union to "raise the bar of performance" and recruit 1% of their members to volunteer in the Labor Council campaign, send 3 letters to their members to vote for the labor-endorsed candidate to oppose Arnold Schwarzenegger; recruit their stewards and member leaders to become worksite coordinators who will educate and activate members in the campaign; release staff to the Labor council after Labor Day to help run the campaign; and be it further

RESOLVED, that the Strategic Plan calls for moving a pro-worker economic agenda, winning legislation to support working families, and supporting organizing in the state; and be it finally

RESOLVED, that the California Labor Federation, AFL-CIO, and all affiliated State Councils, Central Labor Councils, and Local Unions make every effort possible to fulfill the goals of this Strategic Plan.

Support for Utilizing Cutting Edge Targeting Techniques to Expand Labor's Reach and Political Power

Resolution No. 8 - Presented by the Executive Council of the California Labor Federation, AFL-CIO, Oakland

WHEREAS, over the last several years, conservative campaigns across the country have gained a crucial advantage over progressive candidates by using cutting-edge techniques to target and the messages to them; and

WHEREAS, in 2004 in battleground states the Republicans used new targeting techniques to win over millions of Democratic and Independent voters whose names were culled from complex consumer databases; and

WHEREAS, the "micro-targeting" effort was so effective that the party credited it with securing Bush's reelection; and

WHEREAS, the sophistication of the Republican effort is now so clearly superior that it has given Republicans an edge in an area that had been a Democratic strength: identifying sympathetic voters and getting them to the polls; and

WHEREAS, Arnold Schwarzenegger now has hired the same Bush campaign consultants, and they will be using in California the same successful techniques they used to win in 2004; and

WHEREAS, the population growth in the swing counties of California and the influx of blue-collar voters into areas of the state such as the Inland Empire and Central Valley makes these blue-collar voters a high-priority target group; and

WHEREAS, labor's ability to influence non-union, but like-minded working-class voters, can have a dramatic effect on winning the big races in 2006 and beyond; and

WHEREAS, the Federation is adopting a new program using the latest polling and statistical modeling techniques to identify millions of labor-leaning non-union voters with an affinity for a working family message; and

WHEREAS, a program to target and communicate with these voters will be a powerful one-two punch with our member communications program to win the election, and to build support for legislation, issue campaigns such as fights against Wal-Mart, and for the future organizing campaigns of our unions; therefore be it

RESOLVED, that the unions of California are asked to support this groundbreaking project with a one-time contribution of \$3.00 per member or \$1.00 per member for the next 3 months.

Support for A Humane and Fair Workers' Compensation System that Works

Resolution No. 9 - Presented by the Executive Council of the California Labor Federation, AFL-CIO, Oakland

WHEREAS, the workers' compensation system was created as the result of a trade-off: employers were given immunity from tort liability for workplace injuries in exchange for providing injured workers with a no-fault system (no need to prove employer negligence) of monetary benefits and medical care; and

WHEREAS, the California Constitution requires employers to provide injured workers with both adequate benefits and medical treatment needed to cure them and relieve them of the effects of the injury; and

WHEREAS, the California Constitution requires that benefits and medical care be "expeditiously" provided to injured workers; and

WHEREAS, the Schwarzenegger administration has torn the workers' compensation system to shreds through his anti-worker regulations implementing S.B. 899, his workers' compensation "reform" bill; and

WHEREAS, employers have saved almost \$10 billion (a year for the last 2 years) in workers' compensation costs; and

WHEREAS, unregulated insurance companies are making historic profits under the new system. Insurers' loss ratio are now 36%, meaning for every \$1 in premium collected, insurers were only paying out 36 cents in benefits. Reserves and overhead costs total 23 cents. The remaining 41 cents of every \$1 in premium is profit; and

WHEREAS, workers' comp reform was the first promise made and promise broken of Schwarzenegger. He promised that truly injured workers would not suffer; and

WHEREAS, thousands of severely disabled workers are suffering 50 percent cuts in permanent disability benefits; and

WHEREAS, permanent disability benefits are often the last shred of a safety net that keeps severely injured workers in their homes, their families fed, and their bills paid; and

WHEREAS, medical care is being routinely denied under Schwarzenegger's new medical treatment guidelines. Delayed and denied medical care worsen our injuries; and

WHEREAS, there is now a two-year time limit on temporary disability benefits, forcing injured workers to rely on the worker paid State Disability Insurance (SDI) program or other publicly-funded benefits; and

WHEREAS, our right to see our own doctors if we get injured will sunset April, 2007 unless Schwarzenegger signs a bill to lift the sunset. Without the right to predesignate, we will all be forced to see the company doctor; and

WHEREAS, unions have the ability to create joint labor-management alternative dispute resolution programs, or carve-outs. These programs can provide better benefits, timely medical treatment, and less litigation; therefore be it

RESOLVED, that the California Labor Federation vigorously pursue legislation that restores permanent disability benefits; and be it further

RESOLVED, that the California Labor Federation continue to fight to maintain our right to see our own doctors if we get injured on the job; and be it further

RESOLVED, that the Federation play a leadership role in educating our unions about how to create carve out programs; and be it finally

RESOLVED, that the Federation continues to be the voice to protect all workers, union and non-union, from injuries at the worksite and to advocate for adequate benefits if they get injured.