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**CALIFORNIA LABOR FEDERATION, AFL-CIO**  
**WORKING PEOPLE STANDING TOGETHER**  
**2016 POLICY STATEMENTS**  
Oakland Marriott City Center, Oakland, CA
California Labor Federation

Working People
Standing Together
IN PAST GENERATIONS, working people stood together in their unions to create the 8-hour day, paid vacations, and good middle-class wages and benefits. Sitting across from employers at the negotiating table, workers made American companies the most prosperous in the world and built our middle class, brick by brick.

Employers and unions forged a new social contract that meant workers who put in their time received job security, benefits, and a decent retirement. When illness struck, company health care coverage would make sure families were covered. When companies prospered, they recognized the contributions of their workforce, and company prosperity benefited executives and workers alike. When workers retired, solid pensions ensured financial security and peace of mind.

Under this social contract, corporations paid their fair share in taxes and the government was able to enact a crucial set of safety net protections that guaranteed a lifeline during hard times such as unemployment, sickness, injury, and old age. The state invested in the lives and futures of working people who in exchange built the country's economy and infrastructure.

Today corporations have broken the social contract and declared war on labor unions. Global corporations are building a new economy on the backs of low-wage, part-time, temporary workers who receive few benefits and no job security. Instead of employing workers in the U.S., companies are offshoring jobs or outsourcing their entire workforce to temporary staffing agencies—eviscerating the traditional employer/employee relationship and responsibilities.

Once corporations broke the social contract, executives were free to reap outrageous compensation packages while the wages of the rank and file stagnated. Instead of honoring commitments to retirees, companies and local governments work to evade their pension obligations and the financial industry continues attempts to privatize and profit from Social Security.

Union by union, industry by industry, the American Dream has been dismantled by a corporate agenda premised on deregulation, corporate globalization, privatization, attacks on workers and unions, and greed.

As a result, the nation faces one of the most daunting economic challenges of our time. Income inequality has reached historically high levels, surpassing the gap during the Great Depression. The wealthiest 1 percent of Americans doubled their share of the nation’s income over the last three decades while the middle class withered. Corporations have amassed record levels of cash yet they are not using it to create jobs or opportunity. The middle class is rapidly shrinking and has fallen below 50 percent for the first time in decades.
Today, the only thing that curbs corporate greed and power is working people standing together. In the midst of this crisis, working people continue to fight for an economy that rewards hard work and dedication. We built the middle class in this country and we will not allow corporate greed to undo decades of progress.

Now is a time of great challenge and opportunity. The growth of fissured workplaces makes organizing workers more challenging and attacks on public sector unions have accelerated. Yet, California Labor continues to rack up victories in organizing, legislation, and politics. We continue to fight every day to strengthen the Labor movement, rebuild the middle class, and close the widening gap between the rich and the rest of us.

As Californians, we are—and have always been—visionaries who see no limit to our future. The world looks to us for leadership and we must take that responsibility seriously. The way to grow our economy and create good jobs is to invest in California again. Workers and our unions are leading the fight to make California a good place to do business and to raise a family again. We are at the forefront of building a state that works for working people.

We endorse these policy statements as our path forward for investing in California to create good jobs now and a better life for all in the future.
Executive Summary

1. An Enforceable Right to Organize

Good union jobs are the best way to build the middle class, but for too many American workers, the right to join a union exists only on paper. Increasingly ruthless employer opposition to organizing efforts has contributed to slipping unionization rates and increased the challenge of organizing new workers. Immigrant workers are particularly vulnerable to retaliation by employers when they stand up for their rights at work.

Tireless work by California’s unions has countered the national trend of falling unionization rates. We will continue to defend workers’ right to organize, support union organizing drives, and move legislation to increase the ability for workers to organize a union free of intimidation and retaliation. We will expose and pressure companies that violate workers’ rights to organize and that retaliate against workers for standing up for their rights. We support the creative, cooperative, and successful organizing work being done by our affiliates so that all workers can have a voice at work. We are all in to win for workers.

2. Confronting the Contingent and Underground Economy

Changes in the nature of work are eroding the traditional employment relationship and replacing it with temporary, contracted-out jobs with no security. Contingent work arrangements make it even harder for workers to organize as employers abdicate all responsibility for their workforce. The rapid growth of the on-demand, app-based economy only accelerates the race to the bottom in job quality and means that California’s workers are less secure than ever.

We need to crack down on employers that willfully misclassify their workers as independent contractors, whether dispatched through an internet-based app or through more traditional methods. We must hold employers who use labor contractors accountable for wage theft and unsafe working conditions for temporary and contracted workers. Violating labor law should not be part of the cost of doing business and we need increased penalties to create real deterrents. We need better enforcement of state and federal labor laws to stop the growing underground economy and to create a level playing field for companies that play by the rules.

3. Jobs to Build the Middle Class

Income inequality in California is on the rise as corporate greed systematically dismantles the middle class. The gap between the rich and poor is increasing faster in California than anywhere else in the country and the poverty rate in the state is growing three times faster than the population. This is no accident—it is the direct result of policies to decrease labor costs in order to increase profits.

Job creation alone will not rebuild our middle class. We need to create high-quality jobs in industries that make California a good place to work and live. We need to invest in jobs that advance the working-class and fuel the growth of our economy. Overtime, paid sick days, and meal and rest breaks are part of fair compensation for a day’s work and are essential to a just workplace. The bottom line is simple: No one who works should live in poverty.

4. Rebuild the Public Sector

The public sector has traditionally offered hundreds of thousands of Californians secure union jobs with good wages, benefits, and pensions. Public employees are critical to the services that we use every day and their responsibilities to the public have increased over time. Attacks on public sector unions not only threaten the Labor movement, but they undermine the quality of public services.
EXECUTIVE SUMMARY, Continued

We call for an end to politically-motivated, corporate-funded attacks on public employees’ jobs, wages, pensions, and unions. A strong economy depends on a vibrant public sector with fair wages, adequate benefits, and retirement security. We oppose attempts by local government to dismantle the public sector through initiatives, outsourcing, and charter city conversions. The quality of our public services and well-being of our society depend on having enough well-trained public employees to provide the services we need.

5. Invest in California

While California's infrastructure was once the best in the world, now it can barely serve our existing population, let alone sustain population growth. California's bridges, roads, waterways, and schools are crumbling around us. We used to build the products the rest of the world wanted, now we import everything from cars to steel from abroad. A healthy economy depends on a secure infrastructure and a robust manufacturing industry to support business and job growth. Investment in infrastructure and manufacturing will put Californians back to work and lay the foundation for a robust economy.

We must have a comprehensive strategy for making investments in infrastructure and a sustainable, equitable way to finance them. We need to restore our public transportation systems, modernize our rail system, and rebuild our roads and waterways. We must double our efforts to build high-speed rail in California. We need to continue to support California’s maritime trades and the vast economic engine they fuel through the state’s ports. Californians are on the cutting edge of technological advances; we need to manufacture those high-tech products here in California.

6. A Strong Social Safety Net

California’s unions fought hard to create a strong social safety net for when workers fall on hard times. Workers need protection against unexpected interruptions in their work lives, such as workplace injuries or layoffs. However, taxpayers are increasingly subsidizing corporations that shift workers onto public programs, rather than providing livable wages and benefits.

We 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 to preserve benefits for workers on state disability. We will fight to help injured workers get the care and benefits they deserve in the workers’ compensation system. We will make sure that employers pay their fair share if their workers rely on public assistance.

7. An Equitable, Sustainable Budget and Tax System

Budgets require hard choices that reflect our priorities as a state. For years, California faced billions of dollars in budget deficits and made deep cuts to education, public safety, and infrastructure. California’s budget has not only rebounded, but now has a healthy reserve. Yet, the state has not restored the devastating cuts to social programs eviscerated during the Recession.

We need a budget and tax system that raises the necessary revenue and prioritizes spending to meet the basic needs of California families. We need to restore funding to programs that serve all Californians, rather than enacting tax breaks for corporations that do not create good jobs. To create a state budget that takes care of our basic needs, we must close tax loopholes and develop new revenue sources. We must address the reforms needed in our property tax system under Prop. 13, so that we may build a sustainable, reliable tax base.

8. High-Quality, Accessible Public Education

A high-quality, accessible education system is essential to California’s working families. The education industry employs hundreds of thousands of workers across the state. California used to have the best public schools and universities in the world, but now the state has plummeted to the bottom. California cannot compete in a global economy if our school funding ranks behind Mississippi and Alabama.
We call for full funding of California's entire education system. We support universal access to public higher education and we recognize that affordability is a key component of access. We oppose attempts to undermine education workers' collective bargaining agreements and to unfairly punish educators. Together, we will defend job security for all workers, including our public school teachers. We need to expand the state's investment in career technical education and workforce development for workers of all ages. We will continue our ongoing work to support labor education and research institutions across the state.

9. High-Quality, Universal Health Care Coverage
For years, California's unions have led the fight for high-quality, affordable health care for all in California. The passage of federal health reform expands coverage to the uninsured, but more work remains. Health care is only truly accessible if it is affordable for all. California Labor needs to lead the way in containing costs, increasing quality, and laying the groundwork for a single-payer health care system. We must continue to fight the unfair federal excise tax on our health benefits. We need to increase transparency in health care and implement policies to contain costs. We need to expand regulation of the health care industry and create a single-payer health care system. We will work to protect the state's ailing safety net institutions, expand the health care workforce, extend coverage to all Californians, regardless of immigration status, and improve the quality of the health care we all receive.

10. Strong Protections for Worker Health and Safety
All workers deserve a safe and healthy workplace, yet 16 American workers on average are fatally injured at work every day. Immigrant and temporary workers are particularly vulnerable to workplace injuries and death. These problems are made worse by the under-funding of state health and safety enforcement efforts.

To protect worker health and safety, California must increase funding for enforcement efforts, as well as penalties for violators of the state's health and safety laws. Fines must never become just another cost of doing business. We need meaningful regulations on indoor and outdoor heat exposure to protect vulnerable workers. To protect workers at home and on the job, we need better regulation of dangerous chemicals.

11. Fighting Global Climate Change
As workers and as residents of California, we all deserve clean air, clean water, and safe energy sources. Climate change is a threat to the planet and is creating a number of immediate challenges to the state. Protecting the environment is both socially responsible and a key component of future growth for organized labor. The decisions we make now about adapting to climate change and the ways we generate energy will impact the economy, environment, and infrastructure of California for decades to come.

As we attempt to fight climate change with new energy sources, we must ensure that the new jobs of the green economy are union jobs. We recognize that the stability of our energy supply depends on renewable energy sources and we support efforts to move in that direction. We continue our steadfast opposition to deregulation of the energy market. We maintain our strong support for the California Environmental Quality Act—for workers and for our communities.

12. Good Government and Accountable Corporations
We deserve a government that works for the people and demands accountability from corporations. Without a healthy democracy in which public participation is allowed and embraced, the voices of union members will be drowned out by the influence of powerful corporations. Without strong regulations and enforcement, corporations are free to put profit above health and safety of the public and the environment.
We support a government that protects public assets and aggressively regulates the private sector to protect our health, environment and well-being. We support public participation in the political process and defend the right of workers to make their voices heard. We oppose the subversion of democracy by anti-union billionaires that funnel money into state elections. Transparency and accountability in corporate behavior and government decision making are vital to the health of our economy and our democracy.

13. Rights of Immigrant Workers

Without immigrant workers, California’s economy would grind to a halt. Immigrants are the backbone of the state’s economy and a growing political force. Immigrant workers are at the forefront of organizing campaigns and are revitalizing the labor movement. Protecting the rights of immigrant workers and their families, especially the right to organize, benefits all workers in California.

We call for humane and comprehensive immigration reform that includes a path to citizenship. We condemn raids on immigrant workers in their workplaces and homes, and the use of immigration-related retaliation to stop worker organizing. We reject anti-immigrant rhetoric and policies. We demand an end to the separation of families through aggressive and unnecessary deportations. We support strong enforcement of labor laws to prevent exploitation of immigrant workers and the race to the bottom for all workers.

14. Rights of All Working Families

Union members are more than just workers. We are patients, consumers, renters, and homeowners. We are members of families and communities. We come from different backgrounds, countries, faiths, and traditions. The Labor movement defends the rights of working people in different areas of our lives, not just the workplace. The demand for racial justice cannot be divorced from the fight for economic justice. Civil rights are critical to a just society and to building a strong and active Labor movement.

We support consumer rights to product safety, financial privacy, and regulation of public goods. We support policies that help workers balance work and family lives. We are unflinchingly devoted to the protection of civil rights and liberties for all, and abhor discrimination in all its forms. We are committed to ensuring that all Californians live healthy and safe lives that allow them to spend time with their families and friends and be an active part of their communities.
An Enforceable Right to Organize

INCOME inequality is one of the greatest challenges of the 21st century. It threatens to destroy the middle class, economy, and democratic values of our nation. Unions are the last bastion in the fight against income inequality and unfettered corporate greed. We are the only institution that stands in the way of CEOs and their lobbyists as they seek to reap even greater profits off the backs of workers. The right for workers to stand together and organize a union is the strongest weapon we have to fight growing income inequality.

The challenges to organizing, especially in the private sector, are real and difficult. Ruthless employer opposition, intimidation, threats, and firings are more common than ever during organizing campaigns. According to a study by the Center for Economic and Policy Research, employers illegally fire workers in over 30 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.

Another challenge to union organizing is the use of subcontracting, temporary workers, and misclassification of independent contractors. Employers are increasingly distancing themselves from their workforce and creating legal barriers to avoid being held accountable by workers and unions. Union organizing has become increasingly innovative as the economy shifts from a traditional employment relationship to one where employers deny that they employ workers altogether.

The Federation is committed to supporting organizing efforts, and in 2011, officially made organizing our top priority. Since then, the Federation has reoriented our work to provide support for organizing through field, legislative, political, and communications campaigns. We have convened state and regional union organizing directors’ meetings to develop strategies to support organizing and increase the number of union members in California. We’ve brought together union leaders to commit to union solidarity in organizing campaigns. We will continue to support union organizing through legislation, research, industry analysis, trainings, and other initiatives to increase union capacity and organizing campaigns.

Supporting Organizing Efforts

The Federation applauds the workers and unions who continue to successfully organize in hostile, anti-worker climates. From high-tech shuttle drivers to cafeteria workers, the Federation supports our unions as they continue the fight against anti-union employers, old and new.

The Federation embraces campaigns to organize workers in the contingent economy. Warehouse workers, port truck drivers, janitors, security guards, and many others are the faces of the contingent economy. Whether misclassified as independent contractors, working for temporary agencies or subcontractors, workers are increasingly distanced from the corporation that ultimately reaps the reward from their labor. In the contingent economy, workers labor under a complex chain of business relationships, making it difficult to hold employers accountable, or to even figure out who is the ultimate employer.
Yet, organizing continues in the contingent economy and represents the future of the labor movement. Workers at Taylor Farms exemplify the opportunities and challenges of organizing in the contingent economy. Out of 900 employees in Tracy, CA, about a third work directly for Taylor Farms, a third for a temporary agency, and a third for a farm labor contractor. Yet, Taylor Farms claims it is only liable for the wages, hours, and working conditions of their direct employees. If a temporary worker gets injured, Taylor Farms denies responsibility. Not only does Taylor Farms contract out their jobs, they also try to contract out their liability. This also created a huge challenge for the Teamsters trying to organizing Taylor Farms workers when two-thirds of the workforce was not actually employed by the company.

In response, the Federation sponsored legislation, that was signed into law, to hold employers like Taylor Farms responsible for all the workers doing work for their company. This landmark law will hold employers responsible for the wages, health and safety, and workers compensation for contracted employees doing their work while on their premises. The Federation will now work to hold employers accountable for all employees, no matter what the employment arrangement.

A shining example of contingent worker organizing is the work of the Teamsters, United Service Workers West, and UNITE HERE in Silicon Valley. Nowhere is income inequality more glaring than in Silicon Valley where tech giants raked in $103 billion in profits in 2013 while workers couldn’t make ends meet. The Teamsters stepped into the fray and organized bus drivers who work for contractors that drive employees from the Bay Area to Facebook, Apple, eBay, Yahoo, Zynga, and Genentech campuses in Silicon Valley. The Teamsters won a series of elections and negotiated contracts guaranteeing workers good wages, and benefits, even though they work for subcontractors of the tech giants.

USWW and UNITE HERE have also launched organizing campaigns in Silicon Valley—focusing on subcontracted janitors and food service workers. With the support of the South Bay Labor Council, Silicon Valley Rising, and other unions and community groups, these unions are organizing the workers who make the high-tech industry run every day. Through a combination of organizing, local ballot initiatives, and community campaigns, unions are proving that the contingent economy is not a barrier to organizing and subcontracted work can provide good wages and benefits. Innovative partnerships such as these serve as important models on how to organize workers in low-wage industries.

Farm workers won a major victory to increase the ability to organize when Governor Brown signed SB 126 into law in 2011. After a 13-day, 200 mile march to the California State Capitol, the UFW worked with the Governor on compromise legislation to solve the problem of growers intimidating, stalling, and firing workers who are lawfully organizing for union representation. The law gives farmworkers greater protections in organizing disputes with growers, including allowing the state’s Agricultural Labor Relations Board to certify a union when it determines grower misconduct affected an election’s outcome. We will work with the UFW to win card-check for farm workers at the Agricultural Labor Relations Board.

We continue to support state and federal legislation that levels the playing field so that workers can choose union representation free of intimidation and retaliation. We support elected officials who advocate for legislation to remove barriers to union organizing and who stand with workers at workplaces, on picket lines, and in the fight for union representation and good contracts.

While we work for stronger labor laws at the state and national level, the Federation also supports innovative organizing strategies that our unions have adopted in place of the outdated and ineffective NLRB process. The current NLRB process is so slanted toward employers that there is virtually no opportunity for a fair election. We support the use of neutrality agreements with employers, card-check, and community elections, the requirement of card-check neutrality in granting licensing or tax payer funding for business, and other measures to win union recognition that respect the will of the workers.
Despite their shortcomings, the NLRB has made some good decisions that open up new areas for organizing. The board’s decision in Browning Ferris updated its standards for determining joint employer status to reflect the growing use of temporary agencies. This decision is an important step toward allowing unions to organize workforces where perma-temps work next to direct employees. It also supports creative organizing in fast food, where many workers are employed by franchisees, rather than directly by the corporate parent.

We continue to support organizing tactics like civil disobedience, corporate campaigns, community mobilizations, alliances with community-based organizations, boycotts, strikes, salting, and other forms of direct action to win recognition and contracts. We urge the cooperation of affiliates in multi-union efforts, which can effectively pool resources and eliminate jurisdictional disputes.

**Standing Up for All Workers**

The Federation strongly supports the rights of all workers to organize and to have their voices heard in the political process. Unfortunately, those rights have come under attack time and again through the efforts of right wing anti-union activists. The Federation unequivocally opposes anti-union measures that strike at union political power. These anti-union measures would unfairly restrict uses of union dues and make union members play by different rules than big corporations when it comes to participating in the political process.

We call for the extension of full collective bargaining rights for all public employees, including the inviolate right to strike and the right to use dues deducted from wages for political purposes. We oppose attempts by right-wing groups to weaken the power of organizing public employees by attempting to take away Fair Share fees. For public employees not permitted to strike, we recognize the need for binding interest arbitration to level the playing field and ensure fairness in bargaining. We support the right of farm workers, and all workers, to use majority sign up to join a union free from employer intimidation.

We stand in solidarity with the campaigns of fast food workers in California, and across the nation. Fast food workers have not let the challenges of organizing in a high-turnover, highly franchised industry deter them from standing together. Workers used the tactic of one-day strikes and garnered national attention sparking a national debate on the need to raise the minimum wage. More organizing and innovative strategies are needed to unionize the fast food industry.

In 2007, the Federation stood up for the fundamental right to organize by opposing four new gaming compacts that had no enforceable right to organize. These multi-decade agreements granted new gambling rights to four of the state’s wealthiest tribes and represented the largest expansion of gambling in American history. Unlike the compacts negotiated in 2004, these compacts failed to provide a real right to organize for low-wage casino workers.

In contrast, in 2015 the Federation supported the Santa Ynez Band of Chumash Indians compact which is a model of how Indian gaming can benefit workers, communities, and the state through high-road development. The Federation will remain steadfast in its commitment to ensuring that all future compacts include an enforceable right to organize and will continue to hold individual legislators accountable for their votes against such workers’ rights. The Federation supports the requirement of card-check neutrality in granting licensing or tax payer funding for the expansion of the gaming industry in California.
Giving Workers the Tools They Need to Organize

The Federation calls for comprehensive labor law reform to ensure that workers can organize a union without risking their job. 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 also oppose any legislative measure to ban the right to strike for workers.

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.

While all workers face intimidation and reprisals when they exercise their right to organizing, immigrant workers are particularly vulnerable. Employers can use the threat of deportation or other immigration-related retaliation to keep immigrant workers from speaking up and to send a chill through the entire workforce. Non-immigrant workers may not want to take action to organize or report labor violations if it puts their immigrant co-workers at risk.

In 2013, the Federation sponsored a package of bills that crack down on immigration-related retaliation against workers for protected actions. The Governor signed all three bills into law, enacting tough new protections for immigrant workers who report labor law or health and safety violations, or who exercise the right to organize on the job. The bills create real deterrents for unscrupulous employers who could lose their business licenses if they threaten workers with immigration-related retaliation.

California unions must continue to pursue state and local level reforms to support organizing. We also call for renewed support for labor law reform on the federal level, including the passage of the major labor law reform. The Federation will continue to support the efforts of unions to organize and work to educate legislators and the public on the importance of protecting the rights of all workers and organizing unions to rebuild the middle class in this state.
2

Confronting the Contingent and Underground Economy

The growing income inequality facing the nation is due in large part to changes in the nature of work. The traditional employment relationship has been eroded by the increased reliance on contractors, shielding those at the top from liability for the abuses committed by intermediaries. Labor contractors, temporary agencies, misclassification of workers as independent contractors, use of all part-time workforces, and volunteer labor—these models have become commonplace in an attempt to sever the ties that once bound an employer to their workforce. At the same time, the underground economy continues to grow in California.

In the 1970s, nearly all employers still relied upon the “core worker model.” Over the next last decades, as corporations raced to maximize profits in a globalizing economy, every form of contingent work increased. This trend is only expected to accelerate as a result of the massive job losses we have endured in recent years. Some industry analysts predict that fifty percent of jobs created as the economy recovers from recession will be contingent work, comprising thirty-five percent of the nation’s workforce.

The move toward a contingent economy is further exacerbated by the explosion of the app-based, or on-demand, economy. Companies provide services to customers, such as transportation, delivery, or other services, through the use of a digital platform, or app. App-based companies have systematically misclassified millions of workers as independent contractors in order to fuel their exponential growth and multi-billion dollar valuations. By not employing any workers, the companies can avoid any costly obligation to workers, such as minimum wage, overtime, unemployment insurance, workers’ compensation, and all other worker and safety-net protections.

The contingent and app-based economy is not a new phenomenon—employers have attempted to shirk their legal responsibilities to workers for decades. What is new is the shroud of innovation and high-technology that has allowed app-based companies to exploit millions of workers and expand around the world. The app model is rapidly moving into industries that have traditionally been union and publicly-run, threatening to erode all the gains unions have made for workers in sectors such as public transportation and delivery.

This model of business attempts to destroy the relationship between workers and employers and means an end to the social compact. Workers are no longer able to rely on a decent wage, employer-provided health care, or the promise of a dignified retirement after a lifetime of work. For many workers, there is no expectation of permanence as workers in the contingent economy can easily be disposed of and replaced. This trend toward a contingent economy is directly connected to the decline in union density and the vanishing middle class.

As the private sector has embraced this employment model, the public sector has also moved toward a more contingent workforce. From the State of California to its hundreds of cities and counties, the jobs that were once stable and permanent are being eliminated and replaced by temporary or contract workers.
A failure to address the proliferation of contingent work will result in more than just the creation of a permanent underclass; it will make rebuilding a middle class impossible. The challenges of the contract economy are not insurmountable. Just as the reformers of the late 19th century enacted laws to regulate the sweating system, the injustices today can be remedied and fairness can be restored.

**Contingent Labor and Subcontracting**

Non-standard work has grown in virtually every sector of the economy: service, farm, garment, construction, entertainment, high-tech, education, health care, and the public sector. 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 generally means lower wages, fewer benefits, unsafe working conditions, and less job security. The obstacles faced by contingent workers who want to join a union are significant. When workers try to enforce their legal rights or organize a union, they are easy to get rid of because they have no guarantee of a job from one day to the next. They are particularly vulnerable to retaliation by the temporary employer or contractor. Multiple subcontractors are often used on one worksite to keep workers from sharing a common employer.

In 1999, the Federation won a landmark piece of legislation that guaranteed joint liability for garment manufacturers and their subcontractors. That legislation has made employers liable for the wage and hour violations of their subcontractors if they had a financially insufficient contract. The legislation has been expanded over the years to include other low-wage industries. In 2012, the Federation won another victory, adding warehouse contractors to the list of industries covered by the financially insufficient contracting laws and ensuring the client employer would be liable for the violations of the contractors they hire.

In 2014, the Federation dealt another blow to the subcontracted economy by passing a law that holds companies accountable for serious violations of the rights of workers on their premises that are committed by their own labor suppliers. The law created joint accountability between employers and the labor contractors that they use to distance themselves from workers. The Federation will continue to fight against employers using contingent labor abdicate their responsibility to the workers on their business premises, even if they are employed by a labor contractor.

We support improving the notice and information provided to workers so they know who their employer is, what their job is and other terms of employment. We support holding employers accountable when they try to use labor contractors or staffing agencies as shields against liability for workers’ rights violations. This would eliminate the perverse incentive to use a staffing agency, not to fill a temporary need, but to permanently end direct employment of workers. The expansion of existing worker retention laws would slow the move to contract out to temporary agencies and new registration requirements would ensure transparency and accountability for temporary agencies and labor contractors.

**Part-Time Workers**

Millions of workers want to work full-time, but employers have reduced their hours and subjected them to unpredictable scheduling in order to increase profits. In California alone, the involuntary part-time workforce has increased 126 percent from 2006 to 2013. Through the use of part-time work, employers have reduced labor costs and increased their profitability.

Even when part-time workers want and request more hours, their employers often chose to hire more workers instead. Part-time workers are required to stay available at a moment’s notice for their employer last minute scheduling requests or risk losing future shifts for being unavailable. Erratic, unpredictable scheduling wreaks havoc with part-time workers lives, leaving them unable to take second jobs, arrange for child care, or go to school. Most part-time workers also lack any kind of hours guarantee, meaning that an unpredictable schedule leads to unpredictable income. Workers do not know week to week if they’ll earn enough to make ends meet, which further puts them at the employer’s mercy as they compete for increased hours.
Part-time workers are paid lower wages than full-time workers, receive fewer benefits, and have little chance of advancement. As a result, employers save money on labor costs, increasing profits, while part-time workers are required to piece together enough hours at multiple jobs, or rely on public assistance to make ends meet.

The Labor Federation opposes the shift to a part-time economy that boosts corporate profits and impoverishes workers. We especially oppose employers reducing hours to part-time to evade responsibilities under the Affordable Care Act. Every worker should get the hours they want and need to afford basic necessities. We recognize that some workers prefer part-time work and we support adequate benefits for all workers, no matter how many or few hours they work. The Federation supports local, state, and federal legislation that gives workers access to fair, guaranteed schedules so they may attend to other priorities and can depend on a steady income to support their families.

Independent Contractors

Nationally, more than 10 million workers are classified as independent contractors. The U.S. Department of Labor has conservatively estimated that up to 30 percent of the nation’s businesses misclassify at least some of their workers. But simply calling workers independent contractors does not legally make them contractors. If an employer still maintains control over the worker and his or her working conditions, that worker is an employee, entitled to important benefits and protections.

The Federation recognizes that the misclassification of workers as independent contractors is one of the greatest threats to worker rights that we face today. It represents the severing of the traditional employment relationship and the shifting of all risk—illness, injury, economic slowdown—onto the worker. This puts union employers who directly employ workers with good wages and benefits at a competitive disadvantage. Employers who misclassify see a great reduction in payroll taxes, Social Security, UI taxes, and insurance taxes. They also escape paying workers’ compensation, overtime, and any requirements of the Affordable Care Act. We are committed to finding effective tools to fight the misclassification of workers.

In 2011, we sponsored legislation that was signed into law with the Teamsters union that cracks down on the misclassification of workers as independent contractors and dramatically increases the penalties on employers who have been found to have willfully done so. The law also creates joint liability between employers and consultants, who knowingly advise and train employers to engage in the misclassification. The legislation gives the Labor and Workforce Development Agency authority to assess penalties and creates a meaningful deterrent to employers and the consultants who advise them to misclassify independent contractors to get out of their legal responsibilities to workers.

The explosive growth of the app-based economy brings new urgency to the fight against employer misclassification of independent contractors. Companies like Uber and Lyft, have built their global business model, valued at billions of dollars each, on misclassifying independent contractors. These companies’ ability to issue Initial Public Offerings is hindered by pending lawsuits on misclassification and they have every incentive to fight aggressive enforcement of existing law protecting workers from misclassification.

The stakes are high for app-based companies so they are waging a national campaign to rewrite decades-old laws protecting workers. App-based companies and their supporters and investors have proposed creating new, employment models such as “dependent contractors” or “independent workers” that supposedly create a third class of worker between employee and independent contractor. The goal of these proposals is to stop class action lawsuits against the companies and to relieve them of any substantial legal or economic obligation to their workers.

Proposals to create a third class of worker would eviscerate worker protections, safety net benefits, and any remnants of employer responsibility. The Federation will fight these models at every level and will continue to fight against misclassification of workers in every sector through legal, political, and legislative strategies.
We support the AFL-CIO’s Principles on the On-Demand Economy in regards to the explosive growth of this industry:

■ Use technology to empower, not weaken, workers: We embrace technological progress. The key question is whether the benefits of technological progress will be shared more broadly in the future than they have been for the past 35 years.

■ Promote economic and social inclusion: As our economy changes and we integrate new technologies, we must ensure that these changes promote race and gender equality, from diversity in hiring in the tech sector to the nature of new services and goods entering the economy.

■ Establish rules to achieve binding corporate accountability, regardless of where or how people work: In recent decades, many corporations have sought to shed their responsibilities as employers by subcontracting, outsourcing, franchising, offshoring, using permatemps, or misclassifying employees as “independent contractors.” The result has been wage stagnation and the upward redistribution of income. To address this problem, we should consider innovative and groundbreaking approaches for holding lead firms accountable for working conditions throughout their supply chains.

■ Make portable benefits available to all workers: All workers, regardless of their employment status, have a right to high-quality comprehensive health care and adequate and secure retirement income. To this end, we should ensure that all workers have access to a strong social safety net of benefits that move with them from job to job. One solution is to broaden access to portable benefits delivered by governmental mechanisms.

■ Safeguard the employment relationship to ensure workers’ job protections: We live in a world where labor standards and labor protections, including protections against discrimination, are generally attached to the employment relationship. This is why the legal definitions of “employee” and “employer” – under legislation at the federal, state, and local level – must not be narrowed or weakened.

■ Increase opportunities to access good jobs: Many people end up working part-time or juggling multiple jobs simply because there are no good jobs available. To make sure workers have a choice, we need policies that lead to full employment, skills development, and a strong Labor movement.

■ Ensure a level playing field for business: We should not give one group of businesses a competitive advantage over another by giving them special exemptions from regulation that serves the public interest.

The Federation believes that all workers deserve basic workplace rights, whether they are temporary workers, part-timers, independent contractors, or subcontracted employees.

Volunteer Labor

Toxic oil spills, raging wildfires, and other disasters frequently spark big-hearted responses from Californians ready to step in and help wherever they can. California union members are committed volunteers in their communities and are often the first on the scene to lend a hand to those in need. At the same time, we recognize that volunteer labor should not be relied upon to replace or eliminate jobs that should be filled with trained professionals.

The proper staffing of emergency responder positions, environmental clean-up crews, and other disaster-response teams is vital for worker, public, and environmental safety. In cases where volunteer labor is appropriate, volunteers should be provided with all necessary legal protections, including workers’ compensation insurance, as well as the proper level of training, protective clothing, and equipment for the tasks to which they are assigned. Volunteer worksites should always follow all worker health and safety standards for volunteers, including applicable standards for the use of a respirator. Volunteer work should be properly documented by the agency and accessible to the volunteer in case of injury or other issues.
Workers should not be expected to serve as volunteers at their own worksites. Recent proposals to require classified school employee “volunteers,” without any medical experience, to administer medications to students pose serious threats to student safety and workers’ rights. In this economy, workers do not really have the option of declining so-called voluntary assignments without fear of consequences. Districts should not be able to shirk their responsibility under federal law to provide adequate medical care to students by pressuring classified employees to take on this role.

**Outsourcing in the Public Sector**

Each year, the state spends billions of dollars on personal services contracts, hiring workers without the protections of civil service laws or a collective bargaining agreement. Locally, contingent workers, euphemistically called “extra help,” labor alongside their permanent co-workers, earning none of the benefits and having none of the job security.

In the public sector, contracting out work has additional risks—a profit motive for service delivery, decreased transparency of the contract terms, and reduced accountability for the services provided. But the harm to workers remains the same—without an expectation of permanence or protection, workers cannot afford to speak out when their rights are violated, or try to improve their conditions by organizing a union. Permanent workers get displaced by workers with lower wages, fewer rights, and little hope of changing conditions for the better.

California continues to spend millions of public dollars to send jobs offshore. Both the Schwarzenegger and the Davis administrations approved vendor contracts that subcontracted with out-of-country call centers for the public benefit programs CalWORKs and CalFresh, formerly food stamps. Public benefit programs are state safety net programs to help families through tough economic times. The Federation sponsored successful legislation requiring call centers for public benefit programs to return and be kept in California, employing Californians, moving people from assistance to self-sufficiency.

We call for a comprehensive review of all state contracts to identify which ones can be cost-effectively returned to the public sector. We also call for standardized criteria and a public process before public employees’ work can be contracted out and we call for an increase in the minimum wage paid to workers on state contracts. The money the state pays for contracts should build the middle class, not undermine it with low-wages.

The Federation has worked to prevent corporations from using public funds to export good jobs overseas. We support requirements that goods and services purchased with public funds create jobs in California. We support requiring corporations to report the number of jobs they are shipping outside the state and the country, as well as the amount of work they are subcontracting away from California. We support raising the minimum wage for workers on state contracts in order to create a level playing field between state employees and contractors and to use state funds to create good, middle class jobs.

The Federation will continue to fight for job security and to prevent employers from shopping around to other states and other counties in a global race to the bottom for wages, working conditions and worker rights. This requires raising labor standards in our nation and globally to prevent the incentive to outsource and offshore jobs.

**The Underground Economy**

California’s vast underground economy continues to grow. According to a California Employment Development Department analysis of IRS data, California’s underground economy is worth between $60 and $140 billion a year. It is estimated that the state loses between $800 million and $1.2 billion a year from employers in the underground economy paying in cash, evading taxes, and not paying into workers’ compensation.

An estimated 2 million Californians—15 percent of the total workforce—work in the underground economy. Because business in the underground economy is conducted outside the bounds of state law, businesses operating there are able to gain an unfair advantage over their law-abiding competitors by flouting labor laws and ignoring their tax obligations to federal, state, and local governments.
Employers who flout basic labor laws have a corrosive effect on entire industries as well-meaning employers are forced to lower standards in order to compete. In these industries, wage theft is a part of the strategy of unscrupulous employers, and the fines for violations are just the cost of doing business and not a real deterrent.

Workers in the underground economy suffer the worst abuses. Many do not 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 cannot receive workers’ compensation. If they lose their jobs, they do not get unemployment insurance. In the construction industry, the underground economy remains a critical problem, resulting in lower wages and appalling safety conditions. Undocumented workers are most likely to be trapped in these no-win situations.

Wage theft has become increasingly widespread in part because of the lack of meaningful enforcement of labor laws. Since 1980, the state population has grown 62 percent, while the number of wage and hour inspectors rose just 7 percent. In 2009, the Bureau of Field Enforcement reported that they issued only 216 citations for minimum wage and overtime violations in the entire state of California. Compared to the 75 percent of workers who report not being paid overtime, the number of citations is shockingly low.

Employers have also become more sophisticated at evading justice. Those who abuse workers’ rights have learned how to stall enforcement actions through frivolous appeals and how to prevent any recovery for workers by declaring bankruptcy and re-opening their companies under new names. Other companies can simply wait out the administrative process until workers give up or are forced to move to find new work.

In 2011, the Federation sponsored the Wage Theft Protection Act, that Governor Brown signed into law, to prevent some of the worst abuses of workers in the underground economy. This law sends a message to employers that they can no longer include wage theft as a part of their business model, yet there is much more to be done. A UCLA Labor Center and the National Employment Law Project study found that only 17 percent of workers who won their cases against their employers were able to collect any of their stolen wages. So even when workers take the risk of trying to enforce labor law and win their cases, they still struggle to collect back wages and penalties from recalcitrant employers.

In response, the Federation supported the California Fair Day’s Pay Act, sponsored by SEIU, that gives the California Labor Commissioner more tools to collect employees’ stolen wages. This landmark law will help workers to collect their wages after they win a wage theft case, and will send a clear message to employers that they cannot shirk their responsibilities under California labor law. We support adequate funding of the Labor Commissioner to implement this important new law and to expedite collection of workers’ wages.

The underground economy is built on employers exploiting the vulnerability of immigrant workers who lack legal status. The threat of deportation and fear of reporting labor law violations to authorities when they lack legal status keeps immigrant workers trapped in the underground economy. The Federation supports immigration reform that gives immigrant workers full protection under U.S. employment and labor law, and prevents employers from using legal status to exploit and threaten immigrant workers.

**Labor Law Enforcement**

The Federation has fought for stricter enforcement and tougher penalties for scofflaw employers. Creating a real deterrent to wage theft is a step in the right direction to cracking down on unscrupulous employers. Robust and targeted enforcement is also needed, requiring full funding of enforcement agencies, as well as information sharing, and other tools to focus enforcement on the worst actors in key industries.

We support coordinated enforcement and investigations between tax and labor law enforcement agencies. The Federation has supported legislation to increase the penalties for employers that pay unfair wages or illegally withhold wages, but those penalties still remain far too low. The state should maintain a public database of labor law violators to bring needed scrutiny to these employers.
Many employers punish and retaliate against workers who report violations to deter other workers from filing complaints. Current protections against retaliation are inadequate and thousands of retaliation cases filed with the state have yet to be acted upon. We support legislation to curb retaliatory actions by employers, such as requiring employers to prove they are not retaliating if they fire workers who have filed labor claims.

Funding for labor law enforcement has failed to keep pace with the growth in the state’s workforce. We support all efforts to increase state funding for labor law enforcement through the Labor Commissioner, Cal/OSHA, the Public Employment Relations Board, the Employment Development Department, district attorneys, and the Attorney General’s office. We support empowering unions to take legal action on behalf of aggrieved workers. The Federation also supports labor-management labor law compliance funds, which have proven useful in combating scofflaw employers in the construction and janitorial industries.

Because of the budget deficit, the Legislature authorized a temporary program to charge employers a fee to fund the Department of Industrial Relations (DIR), the agency that oversees labor law, health and safety, and workers’ compensation enforcement. In 2012, the Governor removed the sunset and lifted the cap on funding which ensures full funding for labor law enforcement.

We support increased coordination between different departments and agencies to best enforce labor laws. Employers that violate health and safety and tax laws are likely violating labor laws for employees, as well. Coordinated investigations, record-keeping, and databases between agencies could increase enforcement, and allow for better use and consolidation of the resources of different departments.

The Federation applauds the work of the state Labor and Workforce Development Agency. Governor Brown’s appointees to key positions in the Labor Agency and Cal/OSHA have allowed departments to more aggressively pursue companies that cheat their workers out of wages and do not adequately protect worker health and safety on the job. The new leadership is creating a culture of enforcement and collaboration with worker advocates to ensure the state’s labor laws are enforced.

**Forced Arbitration**

The Labor Federation has spent decades working to strengthen and expand labor law to protect workers’ rights. We have fought for increased funding for enforcement and worked to make that enforcement more aggressive and effective. However, all that work is worthless if workers are forced to waive their rights to justice.

Today, many employers are requiring workers to sign away enforcement of those rights, effectively denying them access to justice and due process. Mandatory waivers of rights are agreements that workers are required to sign as a condition of employment. These documents generally prohibit a worker from filing a claim to a state agency or court and require that any potential claims be submitted to the employer’s arbitrator.

Mandatory arbitration clauses are on the rise in virtually every form of contract. Most people sign agreements to arbitrate, whether they know it or not. These agreements appear in a wide variety of contracts: in credit card and banking agreements, medical forms, and, most dangerously, as a mandatory condition of employment. These mandatory arbitration agreements require workers to waive various rights, submit to an arbitration process designed unilaterally by the employer, and be bound by a decision made by an arbitrator who is paid directly by the employer.

Requiring workers to sign waivers of basic labor rights as a condition of employment is fundamentally unfair. More and more, employers are using waiver of rights agreements to deny employees basic workplace protections and workers are virtually powerless to stop it. With these waivers, workers with claims relating to discrimination, wage and hour violations, dangerous working conditions, or other workplace disputes can only seek justice through the employer’s mandated process. Workers are even barred from taking labor violations claims to the Labor Commissioner making the Labor Code all but useless to protect workers.
Worse yet, in many cases workers are unaware of these waiver of rights. There is no requirement that these waivers be translated into a language the worker can understand. In many instances, low-wage immigrant workers are being forced to sign documents they cannot read or understand, or else be fired. Further, these waivers can be in small, fine print.

The issue of forced arbitration has been exposed more recently in class action lawsuits against app-economy companies Lyft and Uber for employee misclassification. Both companies required workers to sign arbitration agreements that could make it impossible for workers to participate in a class action lawsuit. The validity of those agreements are still being disputed in court, but the case shows the power of arbitration clauses to completely undermine and pervert the justice system for workers.

However, some unions have been able to turn the power of forced arbitration around on employers. The Machinists have forced employers to arbitrate individual wage claims for each worker in their employment, costing them money and time going through each case separately. We support the innovative use of arbitration agreements like these to force employers to give workers due process and to create a deterrent from the use of these clauses.

The Federation will continue to fight against employers using any tool to force workers to waive their right to legal or administrative remedies to violations of their rights. We have fought too long and too hard to let employers privatize the justice system to work in their favor alone. Workers have the right to their day in court and their right to take claims to the Labor Commissioner.

Finally, we support all efforts to make enforcement avenues more accessible and responsive to workers. We support the elimination of barriers to collecting wages due after the Labor Commissioner or the courts pass judgments. 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 multilingual staffing for labor law enforcement.
The growing gap between the rich and poor is not an accident; it is the direct result of policies to decrease labor cost in order to increase profits. Some of the largest and most profitable corporations in the world pay the lowest wages and have the largest gap between CEO compensation and average workers’ pay. These kinds of jobs have become the rule, not the exception. Job growth in California is concentrated in industries that are low-wage and part-time with few benefits and little opportunity for advancement.

Some argue that any job is better than no job at all, yet the low-wage jobs that are being created perpetuate income inequality. Even full-time workers have a hard time making ends meet when they are earning minimum wage. Job creation alone will not rebuild our middle class. We need to invest in good jobs that fuel the growth of our economy.

The Federation supports policies that increase wages for all workers. The Federation believes that overtime, paid sick leave, and meal and rest breaks are part of fair compensation for a day’s work and are essential to a just workplace. We know that jobs with good wages, benefits, and job security are what will rebuild our middle class and our economy. The bottom line is simple: all workers deserve to earn a fair wage for a hard day’s work.

Minimum Wage

In 2016, Governor Brown signed into law a historic state minimum wage that will reach $15 in 2020 and is indexed to increase over time. It has only been since 2013, that the Fight for $15 has gone from being a catchy slogan to a national movement for a $15 minimum wage and union rights. In cities across the nation, millions of workers and advocates have rallied, marched, struck, and worked to win $15 minimum wages in cities and states and at the same time have built a grassroots movement. The national movement for a $15 minimum wage laid the foundation for California to lead the way by enacting the law for all workers in the state, with no tip credit, health care credit, or other loophole.

The Federation supports strong oversight over employers that are allowed to pay workers with disabilities less than the minimum wage. Programs designed to increase workforce participation among the developmentally disabled through the payment of sub-minimum wages must be carefully constructed, reviewed, approved and monitored to both ensure the protection of the workers and to mitigate the downward pressure on wages for other workers.

Living Wage Ordinances

The Federation strongly supports local living wage ordinances. These laws require employers who receive funds, contracts or tax breaks from the 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.

More than a decade 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. However, the work cannot stop there. Living wage ordinances are not just minimum
standards, but should reflect the cost of living in a given area. The Federation supports indexing living wage laws to inflation to keep up with increases in the cost of living.

The Federation will continue to support living wage laws at the municipal, county, regional, state, and national levels. 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, but they can create a floor from which unions can negotiate for higher wages and benefits.

**Prevailing Wage**

The Federation agrees with the State Building and Construction Trades Council of California (SBCTC) that public funding for 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.

The failure to pay prevailing wages and benefits does not save money; it shifts other costs to taxpayers. Workers without health care or pensions end up in public hospitals and emergency rooms, and are forced to rely on public 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.

In 2015, the Federation joined the SBCTC and the Teamsters to close a loophole in prevailing wage law for publicly-funded construction projects. Drivers of ready-mix cement trucks who are employed by manufacturers are not covered under the state’s prevailing wage law, meaning those drivers don’t receive the same fair wages that other drivers doing the exact same work receive. Together, our organizations passed a law to close this loophole to ensure that all ready-mix cement drivers are paid the prevailing wage, regardless of who employs them. If they deliver ready-mix concrete, the drivers earn prevailing wage.

The Federation joins the SBCTC in opposing all efforts to undermine Project Labor Agreements (PLAs) and prevailing wage laws, such as when city governments propose transitioning from a general law city to a charter city for the express purpose of opting out of state prevailing wage law and prohibiting project labor agreements. This approach is wrongheaded as it represents an erosion of standards in the construction industry. It also undermines good wages and benefits on public projects at a time when private development has receded and publicly funded construction makes up a larger chunk of available construction work.

We support the efforts of the SBCTC to protect local government’s ability to choose whether a PLA is the best option to deliver an on-time, high-quality construction project at best cost to taxpayers. In 2013, the SBCTC sponsored bills that were signed into law, to establish valuable taxpayer protection criteria for PLAs used by state and local agencies for public works projects. The Federation will continue to work to ensure that city, county, and state governments can use PLAs when they so choose.

The Federation will continue to support the SBCTC’s efforts to protect Project Labor Agreements and 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 in California, because of 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 the appropriate number of employees rather than piling more hours on fewer workers.

Each year in Sacramento, legislators introduce Chamber of Commerce sponsored bills to take away overtime protections and to expand the use of the alternative workweek. We oppose efforts by Republican lawmakers to demand concessions on the 8-hour day as part of reaching any state deal, since such a proposal saves the state no money and simply hurts workers already struggling to get by. We condemn the high-tech overtime takeaway negotiated by both parties as part of the 2008 budget deal, the first time a private sector worker protection was negotiated away as part of the budget.

The Federation applauds the passage of the Domestic Workers bill which enacts overtime pay for domestic workers in private homes. The passage of the bill after several years was due to the hard work and organizing of community and labor groups who brought hundreds of workers to the Capitol to lobby and testify. Domestic workers take care of our children, elderly, and the sick, often working long hours away from their own families. Since domestic and farm workers were excluded from the Fair Labor Standards Act (FLSA), they do not receive the same protections as other workers. The Domestic Workers bill is an important first step to extending the protections of FLSA to all workers and to organizing workers in private homes.

We support extending and strengthening overtime laws for all workers in the state, including domestic and farm workers. We oppose the Governor’s budget proposal to deny overtime to home care workers who often work long hours caring for their clients. We will resist any future efforts and continue to vigilantly defend the 8 hour day in California. We continue to oppose unnecessary mandatory overtime policies, and we support policies that curb abuse by supervisors and managers.

**Meal and Rest Periods**

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. For six years the Federation battled Governor Schwarzenegger’s attempts to take away meal and rest periods. We are proud to have won every time and will continue to protect this essential workers’ right.

The California Supreme Court’s 2012 decision in the *Brinker Restaurant Corp v. Superior Court* case was a bad decision for workers. In a unanimous opinion, the Court held that employers are not required to ensure that meal breaks are taken. This decision clearly undermines the enforceability of lunch breaks by eliminating the bright-line rule that employers must guarantee that workers get a meal break. It also increases the pressure on workers to work without a break.

While *Brinker* let employers off the hook for ensuring breaks are actually taken, it did not eliminate the right to a meal break or take away all employer obligations. Under *Brinker*, workers can work through their meal break, without employer penalty, only if the employer has relieved the employee from all duty and the worker’s decision to skip the meal break is truly voluntary. Unfortunately, in many workplaces, eliminating the bright-line rule that employers are responsible for ensuring meal breaks are taken will make it much harder for workers to exercise their right to a meal break. Workplace realities like employer coercion, piece rate pay structure, or productivity quotas will lead many workers to “voluntarily” work without breaks.

In 2015, the Governor signed important legislation that clarified the law regarding meal and rest periods for piece-rate workers. The bill provided clear guidance for employers on appropriate wages during rest periods and nonproductive time. It also allowed an affirmative defense for employers, but only if they retroactively compensated employees for their rest periods, recovery periods, and nonproductive time, ensuring that a greater number of piece-rate workers would get larger back-pay than through litigation. The Labor Federation supports innovative solutions to ensure workers receive all the back pay they’re entitled to under the law and to deter future violations of the law by employers.
Post Brinker, the Federation is committed to educating workers about their meal period rights and to ensure that employers are following the law. This is an essential worker protection and we cannot allow workers to be discouraged or prevented from taking needed breaks. We will continue to fight to protect this basic right for all workers.

**Paid Sick Days**

The Federation believes that all workers deserve time to care for themselves and their sick family members without fear of losing their jobs or their wages. In 2014, the Governor signed a law mandating paid sick days for 6.5 million working Californians. Unfortunately, the law excludes home care workers who still do not have a legal right to paid sick days. The state $15 minimum wage includes paid sick days for homecare workers, fully implemented in later years. We will continue to work to ensure that all workers in California have the right to take paid sick days.

**Retirement**

All workers deserve a secure and dignified retirement. Over the last decade, we have seen an all-out assault on retirement security, with employers swapping out defined benefit plans for riskier defined contribution plans, ongoing attempts to roll back public employee pensions, and a push to privatize social security. The same financial institutions that created the sub-prime mortgage crisis want to gamble with our pension funds, leaving workers holding all the risk.

Today, only 18 percent of private sector workers are covered by a defined benefit plan, down from 35 percent in the 1990s. However, when that figure is broken down, 67 percent of unionized workers in the private sector have a defined benefit plan while only 13 percent of non-union workers do. Employers are increasingly shifting away from defined benefit plans to much riskier individual retirement plans, such as 401(k) plans.

Individual savings like 401(k) plans and IRAs cannot offer all the benefits of real pensions. Defined benefit pension plans are the only ones that can offer real retirement security. They provide for all covered workers a predictable and reliable lifetime retirement income, valuable survivor and disability protections, possible early retirement benefits, and post-retirement benefit increases.

By contrast, individual savings plans, or defined contribution plans, require workers to bear all the risk and provide no guarantee of an adequate retirement income. These plans are often insufficiently diversified, suffer from poor returns and market volatility, and typically carry very heavy fees and administrative expenses. In light of the dramatic stock market losses in the past few years, it is increasingly clear that retirement security can only be achieved through defined benefit plans.

As fewer private sector workers have access to secure pension plans, so too are public sector workers seeing their retirements chipped away. These workers have sacrificed wages and other benefits to preserve a decent retirement. Just as corporations like United and American Airlines used bankruptcy to evade pension obligations, now cities are looking to municipal bankruptcy to break their promises to workers and retirees. Ballot measures are becoming an increasingly popular way to attack workers' pensions.

In the wake of the economic collapse caused by Wall Street greed and reckless lending practices, public workers have been blamed for causing the crisis. We reject that notion and we condemn the scapegoating of public workers who serve our communities and care for our most vulnerable.

Pension reform has already taken place at bargaining tables up and down the state. In every city and county, public employees and government representatives have come together to negotiate how to get through these tough times. In virtually every jurisdiction, collective bargaining has resulted in the adoption of two-tier plans, increased employee contributions or extended retirement age.

The Public Employees’ Pension Reform Act (PEPRA) of 2013 enshrined in law concessions by employees to preserve retirement security. PEPRA made several changes to the pension benefits for new
employees hired on or after January 1, 2013, including setting a new maximum benefit, a lower-cost pension formula with an increase in the retirement age, and a cap on the amount used to calculate a pension. PEPRA also enacted pension spiking reform for new and existing employees, required three-year averaging of final compensation for new employees, and provided counties with new authority to negotiate cost-sharing agreements with current employees.

The Federation opposes efforts to abrogate collective bargaining to force concessions and takeaways unilaterally. We oppose attempts by local politicians to circumvent collective bargaining by placing take-away initiatives on the ballot rather than negotiating over them. We oppose efforts to strip away vested retirement benefits of current workers, like the one led by Mayor Chuck Reed in San Jose. We oppose the push to eliminate defined benefit pensions, like in San Diego, eliminating all retirement security for a workforce that does not even have Social Security.

The Federation is committed to pursuing real retirement security for all including:

- **Expanding and improving Social Security:** The bedrock of retirement security for America’s working families is Social Security. We oppose attempts to weaken Social Security by cutting benefits under the guise of “strengthening” the Social Security trust fund by reducing its outflow. We oppose efforts to institute the chained Consumer Price Index and we must continue to fight all such efforts. We oppose any cuts to Social Security benefits since it has been shown that cuts are not necessary to close Social Security’s modest funding shortfall. We echo the AFL-CIO’s support for taxing income above the existing taxable earnings cap and the position that mandatory coverage of all public employees must not be part of any funding plan.

- **Resisting efforts to privatize public pensions:** Republican legislators continue to push for pension privatization. These proposals would jeopardize the secure retirement benefits our members have fought for and sacrificed wage increases to preserve. We know that efforts to undermine defined benefit pension plans in the public sector would only accelerate the corporate push to eliminate secure retirement for private sector union members as well.

- **Ensuring employer responsibility:** All employers should be required to fund retirement benefits as an essential part of every worker’s pay. The most effective and efficient way to do this is through a defined benefit pension plan. Private-sector employers that do not provide such a plan should be required to contribute into either a supplementary Social Security plan or a government-sponsored annuity plan that builds on existing programs, e.g., state employees’ pension systems. We should build toward a system of retirement security for all workers with well-run pension plans and educated trustees.

- **Curbing abuse of the bankruptcy process:** No employer should be able to follow the example of United Airlines, which entered into bankruptcy proceedings for the purpose of shedding the pension obligations it had made to thousands of long-time employees and retirees, leaving them with a small fraction of the retirement income they had been promised and depended upon. Cities and counties must be restrained from the use of municipal bankruptcy to eliminate pension obligations. The state must have oversight into the municipal bankruptcy process to ensure that it is not abused to undermine retirement security, as is the case in 19 other states.

- **Making all retirement savings vehicles effective and efficient:** The Secure Choice Retirement Act of 2012 in California proposes to make saving for retirement easy and effective. Employers who do not offer retirement plans must put aside money from workers’ paychecks in a secure account for retirement administered by the state. This makes it much easier for Californians to save for a secure retirement and to have some of the security of a state pension, but we need legislation to implement the program. We also recommend reducing the big fees paid out of workers’ retirement accounts that can yield both enormous aggregate savings and meaningful improvements in individual workers’ retirement security.
■ **Stopping imposition of inadequate pension plans:** Many employers are attempting to impose new two-tier pension plans on employees, including hybrid plans, defined contribution plans, or other plans that do not offer adequate retirement benefits. These plans will place older workers in untenable situations, where they will be forced to continue working or retire without enough money to survive. Any new retirement benefit plans should be implemented through collective bargaining and provide reasonable benefits that will allow workers to retire with dignity.
1935, American workers won the right to organize and bargain collectively to improve working conditions with the passage of the National Labor Relations Act (NLRA). A wave of unionization swept the country. Workers in industry after industry joined unions and built a vibrant and powerful Labor movement. However, not all workers were granted the same rights. The NLRA excluded public sector employees, along with domestic and farm workers, but not because they did not need unions. Public sector workers often worked in grueling conditions for low-wages, no benefits, and little job security.

As government employment grew exponentially in the post-World War II era, public employees began to organize and agitate for their rights. Public employees won new rights to organize, bargain collectively, and strike. A new wave of unionization swept the nation in the 1960s and 1970s as public employees formed and joined unions. In 1955, public employee unions had about 400,000 members—by the 1970s that number had increased by tenfold to over 4,000,000 members. In a mere 16 years, union density in the public sector increased from 13 percent in 1960 to 39 percent in 1976.

The mass unionization of the public sector, which was more racially and gender diverse than the private sector, brought hundreds of thousands of African-Americans, Latinos, Asians, and women into the Labor movement, though many were still paid less than white men. Public sector unions came up at the same time as the civil rights, feminist, and student anti-war movements and often marched side by side for the same causes. A notable example was the unionization by AFSCME of predominately African-American sanitation workers in Memphis, Tennessee. Dr. Martin Luther King was assassinated while in Memphis to march with workers in a demonstration of linked goals of the civil rights and Labor movement.

As union density in the private sector declined, public sector unionization rates have remained high. Public sector unions are a powerful anchor to the Labor movement and continue to flex political muscle on the local, state, and federal level. It is not surprising then that big business and their Republican allies have public employee unions in their sights for destruction. A wave of attacks on public employees and their unions has swept the country like wildfire as state after state attempts to destroy the unions of nurses, teachers, firefighters, police, and other public servants.

The right-wing has accelerated their coordinated warfare on public sector unions. Across the nation, public employees are fighting for their survival. States are employing a range of tactics, from right-to-work legislation to paycheck deception and attempts to ban collective bargaining for public employees. Other attacks are on prevailing wage laws and Project Labor Agreements and teacher tenure.

The most dangerous attacks are taking place at the Supreme Court, where anti-union groups are pushing lawsuits after lawsuit to weaken public sector unions. Harris v. Quinn went after home care workers unions and CTA v. Friedrichs attempts to hobble all public sector unions by eliminating Fair Share fees.

The unexpected vacancy on the Supreme Court gives public sector unions a reprieve from the threat of Friedrichs, but the reprieve will be short-lived. The national right-to-work movement continues to move their anti-union agenda at every level, including the courts and state legislatures. There are 25 cases similar to Friedrichs moving to the Supreme Court that all threaten the strength of public sector unions and the Labor movement altogether.
The vacancy on the Court and the advanced age of several justices makes it essential that the next nominees will uphold existing law regarding Fair Share. The next President may have several opportunities to nominate Supreme Court Justices and so the stakes in the 2016 elections are higher than ever.

The old union saying of “an injury to one is an injury to all” sums up how the California Labor movement is responding to national attacks on public sector unions. These court cases are not just an attack on our brothers and sisters in the public sector. This is the first salvo in a war against the Labor movement and against the last remnants of a middle class. The right-wing understands that unions are the last line of defense against corporate, Wall Street greed and they will not stop until they have dismantled every one of our unions. For that reason, union solidarity is more important now than ever and we call on all unions to join in the fight against attacks on the public sector.

**State Public Employees**

The public sector has traditionally offered hundreds of thousands of Californians secure jobs with good wages, benefits, and pensions. Massive cuts to public sector jobs threaten California’s economic recovery as the private sector struggles to make up for the loss of stable government jobs. California has cut more public sector jobs than any other state since the beginning of the recession. The state cut 126,300 federal, state, and local government jobs, shrinking the public sector workforce by 5 percent.

Public employees have suffered furloughs, wage and hour reductions, and attacks on their pensions and retirement security. Public employees have taken more than their fair share of cuts to balance the state budget and face even deeper cuts, yet corporations have not lost a single tax break. The Federation opposes proposals to pare down the public workforce through budget cuts, layoffs, and furloughs.

In addition to the various shortages caused by recession-era cuts, many seasoned public employees are reaching retirement age. More than 40 percent of the state workforce will reach retirement age by 2018. More work is needed to develop and support the next generation of public servants. All Californians suffer when the state does not have enough trained workers. Public employees are often on the frontlines of preventing waste, fraud and abuse of tax payer dollars. As new public employees join the workforce it is critical that the state and unions work together to develop appropriate trainings and orientations ensuring new workers are aware of their rights, duties, and obligations to the public. We support public employee orientations and union access to updated, accurate lists of public employees in order to educate and sign-up members.

Public employees also face increased attacks on their pensions, and retirement security. In California and across the nation, public employee pensions are being scapegoated for an economic crisis created by Wall Street. In reality, the entire cost of pensions for state workers in 2011 was $3.5 billion, barely 4 percent of the state’s total budget. Public employees already contribute up to 12 percent of their salaries to their pensions and have made a number of concessions during bargaining on pension issues.

The Federation opposes pension reform proposals that serve the political purpose of scapegoating public employees rather than fixing the state’s budget. The Public Employees’ Pension Reform Act of 2013 enacted sweeping changes to the public pension system for both new and current workers. Any further changes should be made through collective bargaining.

Another attack on public employees is the contracting out of state jobs to non-union firms. In the public sector, contracting out work has additional risks: a profit motive for service delivery, decreased transparency of the contract terms, and reduced accountability for the services provided. But the harm to workers remains the same: without an expectation of permanence or protection, workers cannot afford to speak out when their rights are violated or try to improve their conditions by organizing a union. Permanent workers get displaced by workers with lower wages, fewer rights, and little hope of changing conditions for the better.

The public sector has also moved toward a more contingent workforce. Jobs that were once stable and permanent are being eliminated and replaced by temporary or contract workers. Each year, the state spends billions of dollars on personal services contracts, hiring workers without the protections of civil service laws or a collective bargaining agreement. California laws provide some protections against con-
tracting out state and school work. Yet there is little transparency over state contracting practices and the billions of dollars spent in state services contracts each year suggest the law has not been effective. We support expanding and strengthening existing laws to restrict the outsourcing of public sector jobs.

The ability to bargain for better wages, benefits, and working conditions depends on a system that is effective, efficient and fair. In 2013, the Governor appointed four labor-supported candidates to the Public Employment Relations Board, ensuring that public sector unions would have a fair hearing from members of the Board who have extensive experience and knowledge in the field. The Federation supports the re-appointment of good PERB members and supports increasing the PERB budget to deal with a backlog of cases and to ensure the Board can efficiently and effectively address public employee issues.

**Local Fights**

Big business and their Republican allies understand that they cannot successfully move anti-worker, anti-union legislation in California at the state level. But they have figured out that they can dismantle worker protections, collective bargaining rights, and the public sector at the local level, city by city across the state.

For example, the Orange County Water District, the county public agency that protects and extracts groundwater for residents, is waging a court battle to keep the agency’s unionized workers from requiring future employees to pay the Fair Share union fees. The district’s board members have fought the union in court regarding Fair Share. They’ve lost several times, but continued to spend money on appeals. Unlike the *Friedrichs* case, the board is spending public money, ratepayers’ dollars, to fight the union. We oppose the use of public money to attack unions in any way—whether against Fair Share fees or fighting organizing drives. No public money should be spent to fund anti-union activities.

**Contracting Out and Charter City Conversion**

Initiatives are not the only way that local governments are going after unions and the public sector. In March of 2011, the City of Costa Mesa voted to contract out more than 200 city jobs—over half of their workforce. The city garnered national attention when one worker committed suicide by jumping from a building apparently devastated by the layoff notice he received. Although the city claims the outsourcing was for cost savings, Costa Mesa has already spent over a half million dollars on a law firm that charges $495 an hour for legal services. The real motivation behind the city’s machinations is clear—conservatives called Costa Mesa “ground zero in the fight against organized labor…” and warned that this was the future for all California cities.

After a challenge from city unions to the outsourcing proposals, Costa Mesa is moving a proposal to become a Charter city. Charter cities, unlike General Law cities, can abandon the state constitution and adopt their own charter which governs the city’s laws and operations. Of the state’s 482 cities, 120, or 25 percent, are Charter cities. The trend toward Charter city conversions is growing in popularity as cities use conversions as a way to cut costs and balance their budgets by abrogating collective bargaining agreements and eliminating worker protections.

The Associated Builders and Contractors seized on Charter city conversions as a way to prohibit Project Labor Agreements and prevailing wage laws. We join with the State Building and Construction Trades in their fight at the local and state level to ensure that every city has the ability to choose to build with PLAs and every worker is paid the prevailing wage. We support SBCTC’s lawsuit against the City of Vista for attempting to circumvent paying prevailing wage on municipal projects. Prevailing wage is the pathway to the middle class for construction workers and it should be preserved at the state and local level.

In 2010, anti-union Charter amendments were passed by voters in several cities. These initiatives prohibit the cities from funding contracts for public works project that have a Project Labor Agreement. In 2012, anti-worker advocates put Measure A on the ballot in an effort to ban PLAs in the City of San Diego. If passed, this measure would force the city to forgo critically needed funding to repair crumbling infrastructure and other public works.
We applaud victories to fight back against Charter city conversions designed to undermine workers’ rights. The Trades passed legislation in 2011 and 2012 that prohibits cities that ban prevailing wage and Project Labor Agreements from getting state construction funds. The bills discourage cities from banning PLAs and prevailing wage and also ensure that taxpayer funds support good middle class jobs.

**Municipal Bankruptcy**

Another tool increasingly used by cities to avoid obligations to public employees outlined in collective bargaining agreements is municipal bankruptcy. The Federation opposes the use of municipal bankruptcy by cities for this reason. In 2008, the Vallejo City Council voted to declare bankruptcy, even after firefighters, police officers, and public employees offered a package of wage and benefits concessions that would have solved the city’s deficit. Along with the California Professional Firefighters, the Federation sponsored and passed legislation to create a structured mediation process to ensure that all stakeholders are at the table before bankruptcy is filed and that bankruptcies are not used to undermine collective bargaining agreements.

This law is already being tested as more cities and counties turn to bankruptcy to get out of obligations to their employees and residents. Fresno County, Stockton, and Mammoth Lakes are only some of the municipalities looking to bankruptcy as a panacea for their budget woes. The Federation has worked closely with the unions representing workers in Stockton to prevent the drastic step of bankruptcy until all options, including collective bargaining are exhausted. We will work with unions in cities around the state who want to make sure that they are fairly represented in the mediation process when a city considers bankruptcy. We also will work to refine and improve existing law to strengthen protections for workers during municipal bankruptcy.

The Federation will continue to work for strong public sector protections that ensure workers have the right to collective bargaining, living and prevailing wages, and retirement security.
Invest in California

WE need an economy that supports the working class in advancing to the middle class and invests in our future. We need to reinvest in our state economy and use public policy to create good jobs. Infrastructure, manufacturing, and housing construction all provide opportunities to create an economy that works for working people.

We need a comprehensive strategy for making investments in our economy and a sustainable, equitable way to finance them. 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.

The global economy impacts California’s recovery and destructive trade policy further increases global inequality. Most of these agreements are built on the failed model of the North American Free Trade Agreement (NAFTA) and Central American Free Trade Agreement (CAFTA). The Trans-Pacific Partnership (TPP) is just the newest model of agreements that have accelerated job loss and lowered living standards in the United States while exacerbating poverty and social disparities in the rest of the world. Reversing the damage done by free trade requires developing a strategy to bring back manufacturing through Made in California policies and investments in a skilled workforce.

Californians have invented some of the most innovative products in the world. We should be building those products here in California rather than offshoring our technology and skills to other countries. Economic recovery depends on bringing back advanced manufacturing to California and creating good union jobs in the private sector. The state has an important role to play in investing in an economy that works for working people and rebuilds the middle class.

Affordable Housing

The lack of affordable housing has reached crisis levels for working people in California. Skyrocketing rents due to gentrification in cities in the Bay Area, Silicon Valley, and LA are driving workers further and further from their jobs, requiring them to commute longer to get to work. Working people are increasingly forced out of urban areas where jobs are concentrated to make room for the professional class.

The rapid growth of short-term rental companies has also exacerbated the housing crisis for working people. A 2015 report found that Airbnb has taken more than 7,300 units out of the rental market in Los Angeles, turning them into permanent vacation rentals. Increasingly corporate real estate companies, or commercial renters, are getting in on Airbnb’s market, renting out several units simultaneously, in contrast to the homeowner renting out a room to make ends meet. A recent study found that a small number of commercial users raked in 40 percent of Airbnb’s revenue by renting out multiple units 24/7. This takes units off the market and drives up rent in the surrounding areas, further burdening working people.
Here are our proposals to ensure affordable housing for working people:

**Guarantee Affordable Housing**

- **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, more regulation of landlord use and return of renter security deposits, and protection for tenants during foreclosure.

- **Increase state and federal funding for low-income housing:** We support the establishment of the Housing Opportunity and Market Stabilization (HOMeS) Trust Fund that would create rental and homeownership housing for low- and moderate-income workers throughout the state. Funding housing for the middle class not only provides shelter, but also revitalizes the struggling home construction sector and provides apprenticeship opportunities.

- **Regulate short-term rental companies:** We support laws to ensure that local jurisdictions can enforce limitations on short-term rentals, collect Transient Occupancy Taxes, and have access to data on rentals in their area. We also support legislation to ensure that short-term rental companies do not take affordable rental units off the market to only serve the interests of wealthy vacationers.

**Use Union Labor to Develop Housing in the Right Places**

- **Fair wages for work:** Governor Gray 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.

- **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 those people who build the houses can actually afford to live in them. This is a model high-road economic project—creating housing that working people can buy or rent, while simultaneously creating high-quality jobs for workers.

- **Pursue smart growth development:** Economic development activity should seek to create healthy communities and “smart growth” development. The dissolution of redevelopment agencies gives the state an opportunity to redesign development in economically-distressed areas, creating transit-oriented development and high-quality job creation. The Federation supports redevelopment successor programs that design residential areas close to mass transit, retail establishments, and businesses and include jobs plans for high-road job creation.

**Build the California of the Future: Infrastructure**

Under Governor Pat Brown, California made massive public investments in infrastructure—roads, water, energy, parks, bridges, and schools. That was a necessary investment in California’s future. Decades later, that infrastructure has fallen into disrepair and is inadequate to support California’s growing population and economy.

Crumbling bridges, pockmarked roads, and decrepit schools not only hurt our quality of life, but also further drag down our ailing economy. We cannot allow our existing infrastructure to crumble and fail to meet the challenge of a growing population and economy. Infrastructure investments are proven job creators. Every $1 billion spent on heavy construction creates an estimated 13,000 jobs.

Infrastructure can also put people back to work right away. Roads, bridges, courts, schools, sewers, and water systems are all in desperate need of repair. Water infrastructure is critical to key sectors of the economy like agriculture, manufacturing, and production. A strong economy depends on modern water systems to move, store, and distribute water across the state. The clean energy economy requires retrofits of existing buildings to make them energy efficient.
The Federation supports the creation of good, union jobs on infrastructure projects that pay prevailing and living wages. The Federation joins the State Building and Construction Trades Council in continuing to strongly support Project Labor Agreements as a way to help large public and private construction projects go more smoothly, as well as to maintain wage and benefit standards.

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 projects, which have the potential to raise or lower wages for hundreds of 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.

**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 maintain our ports and waterways.

Governor Brown’s 2016-17 budget includes a plan for a ten-year, $36 billion investment in transportation infrastructure that focuses on repair and maintenance of existing infrastructure and investment in public transit. This massive investment will not only create middle class jobs, but will be a real investment in the infrastructure that moves people and goods around our state and to ports that carry goods globally.

The Federation continues to work to ensure the construction of a statewide high-speed rail system. We commend the leadership of the High-Speed Rail Authority for developing a realistic and comprehensive business plan that lays out the road map for construction of the 800-mile system. High-speed rail is the largest job creation and economic development project in California and the nation. California can leverage state dollars to attract federal and private investment in the project in order to create hundreds of thousands of jobs.

We worked to get bond funds authorized to begin construction on the high-speed rail project. We will continue to work to ensure funding of the project. High-speed rail opponents know that once hundreds of thousands of Californians are employed after breaking ground on the project, they will not be able to stop its progress.

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. The absence of effective mass transit can be the decisive factor in keeping working families in poverty. The Federation opposes the raiding of funding streams for mass transit at the state level. We need to maintain operations funds from the state while maximizing the federal stimulus funds received for transit equipment. The Federation opposes cuts to operations funds and mass layoffs across transit districts that disrupt and decrease service quality.

**Water**

California faces a historic drought that makes investment in our water infrastructure and storage even more urgent. A sustainable water infrastructure ensures that farmers, residents, and businesses can thrive and the state’s economy can grow.

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.

Private corporations are increasingly viewing water as a lucrative investment opportunity, jeopardizing access and safety. Multinational corporations 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 anti-union developers.

We supported the 2014 water bond to authorize $7.2 billion for water projects across the state. The final bond amount was less than originally proposed, but the compromise allowed for important investments and job creation while minimizing the impact on the General Fund debt service obligations.

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 commoditization of natural resources can be very dangerous. We call for active stewardship by unions and communities to protect water from speculative money-making interests.

**Maritime Trades**

California’s ports are the gateways for nearly 50 percent of all U.S. waterborne commerce. The ports link the state to the global economy and fuel economic growth. These ports and their intermodal goods movement businesses support a high-wage workforce in the highly unionized transportation trades. The Federation supports releasing funds from the Harbor Maintenance Trust Fund for port infrastructure improvements and building.

The Federation reiterates its support for federal statutes that ensure that vessels engaged in the coastwise and international trades are built and crewed by American workers. The Jones Act, the Maritime Security Program, the Passenger Vessel Services Act, and U.S. cargo preference laws are critical in maintaining a viable American Merchant Marine.

A key element of U.S. cargo preference laws is the Food for Peace Program. The purpose of this program is to promote the food security of developing countries. Food aid is grown by American farmers and transported onboard U.S.-flag vessels to countries in need. Since its inception in 1954, more than three billion people in 150 countries have benefited directly from U.S. food aid. Beginning in 2008, 75 percent of all Food for Peace cargoes were carried in U.S.-flag vessels, but the amount was reduced by Congress at the request of the Obama Administration to 50 percent. In addition, the Administration budget for fiscal year 2015 calls for $1.4 billion in funding for Food for Peace, a $66 million reduction. The White House also proposes diverting up to 25 percent of Food for Peace funding to cash payment programs to impoverished counties. This approach is not in the best interest of those who need food. As President John F. Kennedy said in 1961: “Food is strength, and food is peace, and food is freedom, and food is a helping hand to people around the world whose good will and friendship we want.”

Reducing funding for Food for Peace and reducing the commodities carried in U.S.-flag vessels sought by the Administration would have a devastating impact on the U.S. merchant marine and the job base of American merchant mariners.

The House of Representatives unanimously passed the Coast Guard and Maritime Transportation Act of 2015 that restores full funding for Food for Peace and restores to 75 percent food aid carried in U.S.-flag vessels. The Federation supports the Coast Guard and Maritime Transportation Act of 2015.
The Federation supports the U.S. Department of Transportation’s America’s Marine Highway Program. The development and expansion of America’s marine highway system is an ongoing joint government-private industry effort. The resultant increase in the coastwise waterborne transportation of cargo will help to significantly alleviate congestion on our nation’s highways and rails, achieve a greater measure of energy efficiency in the transportation of domestic cargo, and create jobs for American workers in the maritime and its related service and supply industries.

One major obstacle to the development of America’s Marine Highway Program is the current application of the Harbor Maintenance Tax (HMT) on domestic waterborne cargo. Today, all cargoes arriving at a U.S. port are subject to the imposition of the HMT. Cargo arriving at a U.S. port and then transported by rail or truck to another destination in the United States is only subject to the HMT once. However, if that same cargo is transported by a U.S.-flag vessel to another domestic port, it is taxed a second time under the HMT when it reaches its next destination. This double application of the HMT on waterborne cargo creates a significant economic disincentive for shippers to move cargo by water along our coasts and impedes the development of a Marine Highway System. The Federation supports legislation that would end the double taxation on domestic waterborne cargo.

The Federation 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 tough security measures that protect U.S. ports and maritime workers from terrorist attack, but opposes any measures that treat workers as suspects and infringes on their constitutionally guaranteed civil rights. The federal government should be less focused on low-risk American workers and more focused on 100 percent container screening on imports, foreign mariner documentation, and other security initiatives.

### Build Here, Buy Here: Manufacturing

California is the No. 1 technology state in the nation because we have a legacy of valuing education and fostering innovation. However, if we invent big ideas in California, we must manufacture them here. We can no longer afford to outsource our innovation to other countries. It is no longer acceptable for our politicians to subsidize the practice of big corporations shipping jobs out of state or overseas. The state can play a critical role in creating a market to encourage the growth of in-state manufacturing jobs.

Revitalizing manufacturing is fundamental to California’s economic stability and growth. Investment in manufacturing, in particular, is a smart way to spur economic recovery. Manufacturing jobs have the highest multiplier effect of any job classification in any industry—for every manufacturing job created, an additional 2.5 jobs are created in the broader economy.

The presence of one manufacturing firm gives rise to an entire supply chain creating business opportunities for suppliers, component manufacturers, contractors, and professionals. In addition, producing goods in-state spurs economic activity in the transportation and shipping industries. Jobs in manufacturing are good for working families. The average wage for a manufacturing job in California is $25,000 higher than that of a service sector employee and $35,000 higher than retail trade wages. These jobs are the backbone of the middle class.

California has great potential to generate new manufacturing activity, especially in the green economy. The growing demand for green technology and products provides a perfect opportunity to revitalize California’s manufacturing base by producing components to build solar panels, wind turbines, high-speed rail trains, and other building blocks of the green economy. However, currently many components are brought in from abroad. We should be manufacturing, rather than importing, the goods necessary to build the green economy. We support efforts to buy materials made in America and in California. We also support bid preferences for contracts for goods and services that create jobs in California.
Transportation manufacturing is a potential area of growth in California. Currently, most American manufacturers of trains, light rail, buses, and other rolling stock buy component parts and intellectual property from overseas and just assemble the finished product in the U.S. Real investments in transportation could change that—a recent study found that for every $1 billion invested in capital expenditure for public transit, 3,109 new manufacturing jobs will be created. We support state and local agencies to make every effort to purchase new fleets that are manufactured in the United States.

Construction of a high-speed rail system in California provides an opportunity for the state to rebuild the manufacturing base. The state will spend billions to construct, maintain, and operate a high-speed rail system, and the train sets and supplies should be built in California. Bringing high-speed rail manufacturing technology to California is a first step toward revitalizing and revamping the state's manufacturing base to meet the growing demand for energy efficient and "green" modes of transportation. We support legislation and policies that foster the development of California's transportation manufacturing base.

**Green Jobs and Clean Energy**

For decades, California has been ahead of the curve in developing renewable energy technologies and instituting efficiency standards. As early as the 1970s California emerged as a leader in clean energy and the development of solar, wind, and advanced battery technology. The state also has a history of instituting policies to both support and push the clean energy economy—from standards for fuel efficiency to the landmark AB 32 legislation in 2006 to reduce greenhouse gas emissions statewide.

California still has many advantages that position us for new leadership in clean energy. The state has instituted a number of demand-side policies, such as AB 32, a Renewable Portfolio Standard of 33 percent, and Prop. 39 to retrofit public schools. These programs have the potential to create new clean energy markets and jobs. However, state action is critical to ensure that clean energy jobs are created and retained in California. The clean energy technology that is invented here should be built here, from the solar panels on schools to lithium ion batteries.

Green jobs in the clean energy sector are a key part of economic recovery and building a 21st century economy. However, green jobs are not intrinsically good jobs. Employers will use the term green jobs to “greenwash” otherwise low-quality jobs to evade labor standards. The Federation supports aggressive use of the tools—including labor standards for subsidy recipients, living wage rules for government contractors, prevailing wage requirements, and Project Labor Agreements—to hold employers accountable for creating good green jobs. The best strategy for making green jobs into good jobs, however, is to protect and expand the right to organize for all workers.

**Trade Policy that Works for All Workers**

America's decisions about trade and economic policy have significant impacts on workers both here and abroad. NAFTA-style trade agreements have undermined agricultural economies in developing countries, leading workers to leave the fields and consider moving north. Without raising 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 like NAFTA (North American Free Trade Agreement), CAFTA-DR (Dominican Republic – Central American Free Trade Agreement), and 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 do not serve 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.

The globalization of services opens the door further to privatization in the public sector. Health care, K-12 education, postal work, call centers, 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 General Agreement on Trade in Services and to include similar language on services in future trade agreements.

**Fight the Failures of Free Trade**

Labor’s opposition to free trade began with the fight to stop NAFTA. After 20 years of the trade agreement, it is clear that unions were right all along. In the first decade after its enactment, NAFTA cost more than one million American workers—including 123,000 Californians—their jobs. Real wages in Mexico are lower today than before NAFTA went into effect in 1994, and the number of people in poverty jumped from 45.5 million in 2006 to almost 58 million in 2010.

NAFTA was supposed to increase U.S. exports to both Mexico and Canada, but instead, the maquiladora 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 deficits with Canada and Mexico are soaring.

Despite massive organizing and opposition, the Central American Free Trade Agreement passed 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 threatens workers’ rights, drives farmers off land, and undermines democracy in those countries. It also includes 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, environmental, and other grassroots groups in the state.

In 2011, President Obama signed three new trade agreements with South Korea, Panama, and Colombia. The Administration is now pursuing fast-track authority for the Trans-Pacific Partnership (TPP), a new trade deal with 11 Asian and Latin American countries in the Pacific basin. The Federation supports efforts by our international unions to oppose all of the new free-trade agreements. All are based on the same flawed trade model that has sent jobs overseas, lowered wages, and benefited wealthy investors over workers.

The Federation especially opposes the TPP and any Fast Track authorization. The TPP, hammered out behind closed doors by administration officials and corporate advisors, could have a profound negative effect on California’s jobs, and threatens what’s left of our middle class. The TPP also has the potential to undercut California’s strong worker and environmental protections, deepen poverty, and tilt our economy even further to the wealthy and well-connected while leaving everyday Californians behind.

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.
Use Union Power to Protect Workers’ Rights

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. We strive for the same standards for workers around the world—good wages and benefits for a hard day’s work.

The Federation will continue to fight for an economy that works for all workers.
A Strong Social Safety Net

CALIFORNIA’S unions fought hard to create a strong social safety net for when workers fall on hard times. Workers need protection against unexpected interruptions in their work lives, such as workplace injuries, or layoffs. They need health care for themselves and their families when they are in-between jobs or cannot afford to purchase insurance on their own. Workers’ compensation, disability insurance, public health care programs, and unemployment insurance all provide vital safety nets to working people.

Billion dollar budget deficits over the last few years resulted in deep and painful cuts to safety net programs. Despite a budget surplus in 2016, those cuts have not all been restored, and Californians still struggle to make ends meet as the recovery fails to create enough new jobs. Safety net programs are not just crucial to recipients, they benefit the state’s economy. Unemployment benefits invest money into hard-hit communities when they need it the most. Medi-Cal provides health care that prevents reliance on expensive emergency room care at public hospitals for preventable illness. Workers’ compensation prevents costly lawsuits and returns injured workers back to their jobs.

Though safety net programs were designed to help people through hard times, increasingly workers make up the majority of public assistance recipients. Hard work no longer means that a worker has the opportunity to climb out of poverty into the middle class. The growth of low-wage, part-time jobs without benefits has forced many workers to rely on public assistance for their health care and to put food on the table. While employers benefit from not providing living wages or benefits, taxpayers foot the bill.

California cannot afford to subsidize low-road employers. We need to repair our tattered safety net to provide for our most vulnerable residents. Large and profitable companies should either pay living wages or pay their fair share if taxpayers pay for their workers’ basic necessities like food and health care.

The Federation 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 and benefits they deserve in the workers’ compensation system. We will make sure that employers pay their fair share if their workers rely on public assistance. The Federation will continue to fight to support these programs as a basic component of workers’ rights in California.

Medi-Cal

One of the ways the Affordable Care Act offers coverage to the uninsured is through a historic expansion of state Medicaid programs. California’s Medicaid program, known as Medi-Cal, provides coverage for the ten Essential Health Benefits required by the ACA, as well as nursing home care. The ACA expands the Medi-Cal program to childless adults with income up to 138 percent of the Federal Poverty Level and parents with income between 106 percent and 138 percent of the Federal Poverty Level.

Under the expansion of Medi-Cal, one in three Californians is enrolled in Medi-Cal. Over half of all births in California are paid for by the Medi-Cal program. The increase in enrollment in Medi-Cal is a victory in that millions of low-income Californians now have health coverage for the very first time.
However, the fact that a public health program for low-income adults now covers one-third of all Californians highlights the erosion of the middle class in our state. Growing income inequality and a growing contingent economy has forced more and more workers into precarious employment with low-wages and no benefits. Employers increasingly abdicate their responsibility to employees by shifting them onto public programs, like Medi-Cal, rather than offering job-based coverage. This shift is yet another symptom of a changing economy that shifts risk from employers onto workers and the public.

The largest and most profitable companies in the world are shifting the cost of providing health care for their workers to the taxpayers of California. Every dollar spent subsidizing corporations is a dollar not spent on investing in other public programs like education and infrastructure. Employers that provide good health benefits are put at a competitive disadvantage as they struggle with rising health care costs while other employers in their industry shift that cost to taxpayers.

The Federation supports an adequately funded and robust Medi-Cal system. All Medi-Cal enrollees should be able to access the care and specialists they need in a timely manner. We also support strategies and legislation to ensure that employers pay their fair share into the program, whether by offering employer-sponsored benefits that are affordable and high-quality, or by paying into the system.

**Unemployment Protections**

Losing a job is one of the most financially traumatic events in a worker’s life. To help families through the economic challenges of job loss, the unemployment insurance (UI) system provides partial wage replacement for workers unemployed 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.

The recession, however, dealt a heavy blow to the overall health of our unemployment insurance system. Our UI trust fund currently owes billions to the federal government and all possible paths to solvency seem impossible amidst the difficult political climate. In addition, structural funding issues that predate the recession continue to threaten the overall system’s viability. The Federation supports major reforms to the state’s UI system that will ensure the long-term solvency of the program and the ability of the unemployed to access adequate benefits. Proposed reforms include:

- **Increase and index the taxable wage base:** Since 1983, California businesses have only been paying UI taxes on the first $7,000 of each worker’s earnings. Across the country, the average wage base for UI taxes is well over twice that of California. Our UI fund will be perpetually underfunded unless the taxable wage base is increased and indexed.

- **Increase the maximum tax rate:** The tax rate structure faced by California’s employers encourages them to lay off workers. The rates vary according to a schedule, with employers that lay off more workers paying higher rates. All employers pay higher percentages in times of lower fund reserves. Maximum tax rates in California should be increased to have an impact on high-cost employers, especially those in the agriculture, construction, and film industries.

- **Forward-funded UI system:** The current system requires employers to pay higher tax rates when the UI Trust Fund balance falls. This structure charges employers more during economic recessions, but does nothing to prepare for downturns in advance. 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.

- **Special surcharge on employers:** California currently owes the federal government billions of dollars for a loan to the state UI trust fund. That debt generates hundreds of millions in interest each year, and federal law prohibits UI funds from covering the payments. That means that the state General Fund pays the interest on these loans. Rather than charging workers and the public for employers’ unwillingness to adequately fund the system, levy a special surcharge on employers to pay for the interest on the federal UI loan, as do 21 other states.
A STRONG SOCIAL SAFETY NET, Continued

- **Protect and increase UI benefits:** When wages and inflation rise, UI benefits fail to keep pace. California already ranks 43rd in the nation for the percentage of the state’s average weekly wage that is replaced by its UI benefits. Most of the 36 states that automatically index their benefit amounts do so in relation to the state’s average weekly wage, guaranteeing that benefits will not be eroded over time. California’s UI benefits should be substantially increased and indexed to inflation.

- **Create a dependents’ allowance:** California’s unemployment insurance benefits do not account for the size of a family. While individuals receiving benefits are somewhat more flexible in reducing costs in times of unemployment, families with children often face fixed costs—such as education and child care. To address the needs of families of all sizes create a dependents’ allowance, making benefits more progressive for working families.

- **No deductions from UI paycards:** EDD recently eliminated the payment of unemployment and disability benefits by check and now only pays benefits by direct deposit or electronic pay cards. The current contract negotiated by EDD with Bank of America contains strong protections to guard against costly hidden fees charged by banks that take a chunk out of benefit checks at a time when Californians can least afford it.

The Federation will continue to work with agency leaders and other stakeholders on additional efforts to improve the overall efficiency of the system while protecting workers who provide these services.

Employer attempts to avoid responsibility for the payment of UI benefits should not be tolerated. When employers misclassify workers as independent contractors or form a shell corporation to qualify for a lower tax rate—a fraudulent practice known as “SUTA dumping” —they should face serious penalties. The Federation opposes employer fraud and opposes attempts by employers to roll back benefit increases won in 2001. We also oppose the increasing use of professional employer organizations (PEOs) as a tool for evading UI and other employment responsibilities. Using a PEO allows employers to mask their true unemployment responsibilities and gives them a backdoor way to offload higher, but deserved, UI costs while forcing the rest of the participants in the UI system to pay the price.

**Worker Adjustment and Retraining Notification**

The Federation supports a strong worker layoff notification system and increased state and federal investment in retraining. In 2002, the Federation sponsored legislation to create a California specific version of the Worker Adjustment and Retraining Notification (WARN) Act, obliging businesses that lay off 50 or more workers to give 60-days notice.

The Federation supports legislation to strengthen the WARN Act by reducing the number of layoffs necessary to trigger a notice to 25, and increasing notice time for employees and state agencies to 90 days. The legislation also requires notification of layoffs due to offshoring of work, and requires businesses that intend to close plants to bargain over alternatives. In cases of closure, companies should provide ample severance pay and income maintenance programs, extended health benefits, high-quality retraining for real jobs, and early retirement options.

Despite efforts to strengthen the WARN Act, some employers game the system by staggering layoffs to avoid triggering the WARN Act provisions. We support efforts to ensure that employers comply with the law and provide workers and communities with the notice they deserve to deal with the devastating impacts of layoffs.

**Disability Insurance and Paid Family Leave**

California’s State Disability Insurance Program (SDI) was created to compensate workers for wage loss when they are unemployed because of illness or injury that is not job-related. California’s groundbreaking paid family leave (PFL) program is also housed in the SDI program. California is one of only five states with a state disability program, and one of four states with a comprehensive paid family leave program.

Continued
The worker-funded family leave program provides an essential financial bridge for more than 214,000 families each year. Each year, California workers received over $600 billion in paid family leave benefits. Because of paid family leave, these workers are able to care for a new child or sick family member without entirely foregoing their income. More outreach efforts are needed to spread the word about paid family leave benefits as widely as possible. Recognizing the diverse family structures of California's workers, the Federation supports a broad interpretation of which family members a worker may care for while on paid family leave.

The Federation supports the inclusion of all public sector workers in the SDI program. 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 strengthened workplace protections that guarantee no worker will be fired or will face retribution for taking family leave or for using SDI. Employer retaliation against workers who need and take leave is simply unacceptable.

The Federation supports adequate 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. More recent legislation 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.

Because the majority of California workers have never heard of paid family leave, workers are paying into the fund, but underutilizing it. Therefore, the Federation supported successful efforts to use small portion of the SDI Fund for outreach and education.

The SDI system allows employers to substitute their own private “voluntary” 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 to provide disability insurance benefits for disabled PG&E employees and others in a similar situation.

Workers’ Compensation

A workplace injury can be devastating. The loss of an arm or leg changes a life forever and no level of compensation can make 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. Workers’ compensation is a negotiated deal between employers and employees. In exchange for workers giving up the right to sue for workplace injuries, workers’ compensation is supposed to provide for adequate wage replacement and medical care. That safety net has frayed in California, and the Federation is determined to restore it.

Even after significant reforms of the workers’ compensation system, insurers refused to lower premiums and employers continued to urge changes to reduce their costs. In 2004, Governor Schwarzenegger, while backing a draconian anti-worker ballot measure on workers’ compensation, introduced a harsh legislative proposal to change the system. He promised that the reform would cut costs by improving consistency and decreasing friction and litigation in the system, not by reducing injured workers’ benefits.

During the years following Governor Schwarzenegger’s 2004 workers’ compensation reforms, the process by which injured workers sought treatment and benefits steadily declined from bad to worse. Costs skyrocketed and delays increased as inefficiencies, waste, and unnecessary litigation threatened the viability of the entire system. Worst of all, despite these relentless cost spikes, permanent disability benefits for workers had declined an average of 40 percent. As a result, in the spring of 2012, Labor and management came together to negotiate a new system that would improve benefits for injured workers while reducing costs for employers.
The Labor-management partnership developed comprehensive legislation to raise benefits while speeding up the process and cutting costs in the system. Workers permanently disabled by their injuries won a 29 percent benefit increase, with every injured worker—regardless of wage level or seriousness of injury—sharing in $860 million of new benefits. Prior to this legislation, an injured worker often faced months—if not years—of delays when prescribed treatment was disputed by the employer or insurer. This system was replaced with a new one that not only guarantees resolution within 45 days, but also puts physicians in charge of medical disputes, rather than lawyers and judges.

The bill created and expanded a number of other protections for injured workers. The top benefits to workers include:

**Major permanent disability (PD) benefit increase, quicker payment of awards**
- On average, a 29% increase in the amount paid to the permanently disabled
- An $860 million benefit increase for all workers.
- All workers, by category, get an increase and workers with higher wages will see a larger increase.
- $120 million of new benefits for disabled workers with especially severe earnings loss.
- Benefits adjusted based on occupation and larger awards for highly skilled workers with an injury that specifically affects their craft.

**Faster, higher quality medical treatment**
- Independent Medical Review (IMR) process means treatment disputes will be handled by known independent medical experts, not judges.
- Medical treatment guidelines expanded to include all treatment to provide a benefit to a patient.
- IMR is only allowed 30 days to return decisions, compared to months—or even years—to get necessary medical treatment under the current process.
- Numerous new quality controls and audits on medical provider networks (MPN’s), the physician groups that treat injured workers.
- Right to pre-designate and see your own doctor expanded to all workers with health insurance.

**Improved retraining and higher awards for those with career-ending injuries**
- Workers who cannot return to their job of injury receive a $6,000 training voucher.
- This voucher will be awarded faster than under the current system, and can be applied to approved training providers on the state approved Eligible Training Provider List (ETPL)—many of which are union apprenticeship programs.

**More equitable dispute resolution with fewer delays**
- The prior system was clogged with all kinds of doctor bill-related liens and lingering legal disputes, but our new system has eliminated most of these—freeing up workers’ compensation courts to handle legitimate issues affecting injured members.
- Lien reforms also free up hundreds of millions of dollars for increased benefits.

**System solvency is protected, lower rate increases for employers**
- System savings will reduce the need for workers’ compensation insurance rate hikes on employers.
- More predictability will help prevent insurance cost spikes that could threaten insurance market stability.
- Lower insurance rates on employers means more money for wages, benefits, and improvements in working conditions.
For employers, the bill offered roughly $1 billion in potential savings, as well as a much simpler and less adversarial approach when complex claims arise. Reforms to the process by which insurers and employers handle billing disputes also created far greater predictability for both, not to mention the financial benefits inherent to such dramatically reduced friction and inefficiency. The overall market stability introduced by this legislation, combined with the massive savings for employers and immeasurable benefits to injured workers, leaves little doubt that this reform stands among the California Labor movement’s greatest legislative achievements.
An Equitable, Sustainable Budget and Tax System

BUDGETS require hard choices that reflect our priorities as a state. For years, California’s budget reflected the growing inequality between the rich and the poor. Deep cuts to state-funded programs strained our safety net programs to the breaking point, forced the state to renege on its promise of affordable higher education, allowed our infrastructure to crumble, and threatened the jobs of hundreds of thousands of public sector employees. At the same time, the most profitable corporations in the world raked in billions in new state tax breaks.

After years of deep budget cuts, California has traded a deep deficit for a billion dollar surplus. Voters stepped up to mend the budget by passing Proposition 30, which increased taxes on the wealthiest Californians to fund public education, and Proposition 39, which closed a billion dollar corporate loophole to fund school retrofits. Because of those initiatives, the state avoided further cuts to education, helped balance our budget, and will create hundreds of green jobs.

While California’s budget is less bleak than before, the cuts made in previous years created a great deal of hardship for Californians, hardships they struggle with today. California has achieved a measure of budget stability, but we still must make substantial investments in education, health care, and infrastructure to rebuild our economy and our middle class.

The state still faces major budget challenges. The passage of Proposition 26 made it even harder for legislators to fund programs through the use of fees by raising the vote requirement to two-thirds. The revenues from Proposition 30 begin to sunset in 2016, highlighting the need for further action to preserve a balanced budget. The state still has a supermajority requirement to raise taxes, a long history of voter-approved spending limits and requirements, and an outdated tax base that keeps the state’s fiscal house in continual turmoil.

The Federation supports policies to create an equitable, sustainable budget and tax system in California, and in the nation. We believe in an equitable tax system that collects enough revenue to meet the needs of Californians for quality education, essential services, a clean environment, and safe and secure communities.

California’s tax code needs to be updated for the 21st century. Modernizing the tax code would require broadening the tax base to include electronic commerce, such as downloads and increased collection of sales tax from out-of-state Internet retailers. A stable tax code would include a balanced mix of tax revenues including a fair property tax, elimination of tax loopholes, and a fair apportionment formula for corporations in California that also have out-of-state operations.

The Federation has supported the use of bond measures for many specific purposes, but urges careful analysis of the state’s overall debt load when considering future borrowing proposals.

Revenues to Meet the Needs of All Californians

Even though working families are paying their fair share in taxes, they are getting less in return and bearing the brunt of the state’s drastic budget cuts. It is time for the government to prioritize rebuilding
the middle class through good jobs, quality education, a clean environment, and safe and secure communities. The state must commit to raising the necessary revenue and prioritizing spending to meet the basic needs of California families.

The Federation supports progressive tax measures that bring in the revenue the state needs to serve Californians. Proposition 30 on the 2012 ballot is raising needed revenue through a tax on the wealthiest Californians and a half-cent sales tax increase. However, Prop. 30 was a temporary tax fix to stave off more brutal budget cuts and will have to be re-instated by voters soon. The Federation supports permanent solutions to the state’s lack of adequate revenue that includes progressive taxation and other policies.

The Federation supports the following policies to bring in the revenues we need to adequately meet the needs of all Californians:

**Re-Evaluate Tax Breaks and Close Loopholes**

- **Close and put a moratorium on enacting tax breaks:** The Federation supports closing tax loopholes that do not provide obvious, necessary, and progressive economic benefit to the state economy. While our state faces a budget crisis, the Federation supports a moratorium on tax breaks that drain the state budget.

- **Repeal corporate giveaways in the tax code:** The state should evaluate every corporate tax break to assess whether there is an economic benefit for the money spent. If a tax break is not benefiting Californians, then it should be modified or eliminated using a majority vote.

- **Reinstate the top income tax brackets:** The top 1 percent of income earners has doubled its share of total state income over the past twenty years, from 12 percent to nearly 25 percent, while income growth for the rest of us has stagnated. Meanwhile, the top tier tax rates at the state and federal level are lower than they were previously. We support progressive income taxation to require the wealthiest Californians to pay their fair share.

- **End the commercial property tax giveaway:** The current change-of-ownership rules for the reassessment of commercial and industrial property cost the state billions of dollars a year in lost revenue. These rules should be changed to allow more frequent and fairer reassessments of the value of commercial property.

**Improve Collection, Enforcement, and Transparency of Existing Taxes**

- **Require public reporting of corporate tax information:** Individual taxpayers deserve to know how much California’s companies are paying or not paying in state taxes. Without this information, lawmakers and the public have too little information to effectively participate in democratic deliberation about uses and abuses of corporate tax incentives and loopholes. The Federation supports transparency in corporate tax payments, including disclosure of any discrepancies between book income reported to shareholders and tax income reported to tax authorities.

- **Make tax collection a top priority every budget year:** The State Controller’s office estimates that 11 percent of all taxes owed in California go uncollected each year. Employers operating in the underground economy owe much of that money. The Federation supports policies that improve compliance with tax laws and encourage better coordination between the enforcement of tax and labor laws.

- **Impose penalties on wealthy tax cheats:** The Federation supports policies that increase penalties to prevent wealthy taxpayers from filing erroneous refund claims and playing the “audit lottery.” This would bring California into conformity with federal law enacted in 2007 on erroneous refund claims.

**Develop New Revenue Sources**

- **Bring the tax code into the 21st century:** California’s tax code does not reflect the significant changes that the state’s economy has undergone in the past half-century. Items like internet music downloads
and custom computer software packages represent big business in the state, but our tax code does not include them. The Federation supports tax changes that expand the taxable base of goods to reflect the state’s changing economy.

- **Impose higher taxes on corporations with excessive CEO pay:** In the past few decades, CEO compensation has skyrocketed while workers’ wages have stagnated, increasing income inequality. We support creating a tax structure that rewards companies that have a reasonable CEO-to-pay ratio, while increasing taxes on companies with excessive wage gaps. This tax structure creates an incentive to lower CEO pay and to invest more corporate profits in worker wages. Not only will the tax raise revenue, but it will create an incentive for corporations to close the gap between CEO and worker pay, chipping away at income inequality.

- **Institute a meaningful tax on oil extraction and windfall profits:** California remains the only major oil producing state that does not tax oil companies for the oil they take from our land and water. The Federation supports oil severance taxes, as well as taxes on windfall profits for oil companies.

- **Allow local governments to increase revenues based on local needs:** Cities and counties bear the brunt of the state budget crisis as local money is taken by the state and the demand for local services increases. Local government should be able to raise local revenue by majority vote in order to fund local needs.

### Smarter Tax Policy for Economic Development

The Federation 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. Every year the state spends $14.5 billion on corporate tax breaks.

Tax breaks can be enacted by majority vote, but it takes a two-thirds vote to reduce or repeal them. Under existing law, it is nearly impossible to track how much of California’s budget is lost to corporate tax expenditures, what companies are getting the subsidies, and if those subsidies are creating jobs. Many of these tax expenditures are never reviewed and have no limit on the amount that can be given away. Companies are permitted to take taxpayer money and run—relocating jobs in other states or countries.

The Federation believes that economic development spending should be effective, transparent, and accountable. Taxpayers need to know which corporations are receiving subsidies and if they are meeting performance standards. Tax breaks and other business subsidies should create quality jobs, and if that is not the case, taxpayers should get their money back.

California’s film tax credit is an example of a tax credit that works to create and retain jobs in the state. According to the California Film Commission, projects approved for the credit in 2015 will generate $749 million in direct, in-state spending, including hundreds of millions of dollars in wages to union workers. It is the only tax break exclusively targeted to an industry that is almost wall-to-wall union. The film tax credit is one of the few tax breaks in California that has the appropriate accountability measures to make sure it is effective. The credit includes a five-year sunset that allows for periodic legislative review of performance. It includes an annual cap and is targeted and allocated by the California Film Commission. The Federation supports tax policies that create good union jobs and are transparent and accountable to the public.

The reform of the Enterprise Zone tax credit program is an example of a successful reform of a failed tax giveaway program. For years, the Federation fought to rein in the cost of the EZ program. Independent research proved that the EZ program failed to create new jobs and destroyed good union jobs by moving them to other areas of the state—all subsidized by taxpayers. The program was growing at a rate of 35 percent annually, costing the state $3.6 billion since its inception in 1986.
AN EQUITABLE, SUSTAINABLE BUDGET AND TAX SYSTEM, Continued

Working with the Teamsters and the Administration, the Federation won the elimination of the existing EZ program and replaced it with a new tax credit program that was designed to create good full-time jobs in manufacturing that paid living wages with benefits. The new program also includes stringent protections for taxpayers that ensure that companies create jobs before they get tax breaks, sets a cap on the cost of the program, and institutes a sunset date and program transparency.

The successful reform of the EZ program and the film tax credit demonstrates that well-constructed tax credits can help create jobs and support economic development. Any public dollars spent through the tax code require rigorous evaluation to ensure that taxpayer funds are being invested wisely. The Federation advocates better design, closer scrutiny, and comprehensive evaluation of state economic development subsidies, especially tax expenditures. The Federation supports:

- **Unified economic development budget:** This would provide a comprehensive picture of state economic development spending.

- **Transparency:** A publicly accessible database that displays the names of all corporations that receive tax breaks, the amount received, the number of jobs created, and their wage rates and benefits.

- **Sunset and annual review:** Tax breaks should set out clear outcomes and performance measures at enactment, and be reviewed annually to make sure those goals are met.

- **Clawback provisions:** Require the state to recapture taxpayers’ money if a business does not meet the stated goals of the state subsidy or tax break and prohibits bankruptcy to avoid clawback measures.

- **Public approval and accountability:** California Competes, the program created from the ashes of the EZ program, requires board approval of tax credit applicants at a public meeting. This allows for public review of applicants and a chance to raise concerns about the investment in certain companies. Though imperfect, this is a model of how tax breaks should be awarded—publicly, transparently, and with clear standards for approval.

The struggle to raise sufficient revenues for California’s growing population will persist unless, and until, we are able to elect a two-thirds majority of legislators committed to the needs of working families, or we are able to change the two-thirds vote requirement to raise revenue through the initiative process.
High-Quality, Accessible Public Education

A high-quality, accessible education system is essential to California’s working families. As an industry, education employs hundreds of thousands of workers across the state. As an investment in our state, nothing is more important.

Despite the crucial role that education plays in our future, and strong public support for education, California has ranked near the bottom in per-pupil spending for the past two decades, and the ratio of students to teachers is now the highest in the nation. Education support services provided by classified school employees are being decimated and in some cases eliminated altogether. Salaries are often inadequate to allow teachers and classified school employees to own homes near the schools where they work. More than half of all new teachers leave teaching within five years. More than half of classified school employees are now part-time and pay significant portions or even their entire paycheck on health care benefits for their families.

California used to have the best public schools and universities in the world, but now the state is plummeting to the bottom by slashing funding and laying off teachers and classified school employees. Cutting investments in the educational system that built our economy makes economic recovery and growth even more difficult. California cannot compete in a global economy if our school funding ranks behind Mississippi and Alabama, let alone China and Korea.

The challenges that already confront California’s education system are further compounded by attacks by the Legislature on teachers’ and classified employees’ collective bargaining agreements, cloaked in the mantle of education reform. The Federation opposes attempts to abrogate collective bargaining agreements by eliminating seniority and due process for teachers. We oppose disciplinary procedures that undermine collective bargaining and unfairly target teachers. We also oppose attacks on classified school employees’ rights and attempts to undermine contracting out laws that would permit the wholesale outsourcing of classified school employee jobs that deprive schools of experienced workers.

We join California’s educators in calling for broad changes to the federal Elementary and Secondary Education Act (ESEA), including more adequate federal funding to meet the needs of all students, an end to the plan’s over-reliance on test results, and a change in role for the federal government from enforcer to partner. We support the Every Student Succeeds Act (ESSA) of 2015 that replaces ESEA as a reform to the deeply flawed No Child Left Behind law. ESSA will create an “opportunity” dashboard, reduce standardized testing, decouple test scores and high-stakes testing, and ensure educators’ voices are part of education decision-making at all levels.

It is time that every child in California has access to public schools that allow them to compete in the global economy, regardless of their race, immigration status, or family’s income. This includes not only reading and mathematics, but also the computer literacy that is as essential to getting a good job in the 21st century as basic literacy was in the 20th. We must foster the creative spirit that defines California by offering our kids a well-rounded education including music, career technical education, and art. You do not cut education when you know that countries that out-educate us today will out-compete us tomorrow.

It is time to recommit to our kids, our workers, and our future by making sure California returns to having the best-educated, most skilled workers in the world.
Public Schools

The passage of Proposition 30 and the recovery of California’s economy provided much-needed funding to invest in our public schools. Yet years of deep budget cuts have taken a tremendous toll on California’s once great public school system. Schools endured drastic cuts that have not yet been fully restored. California continues to be the 9th largest economy in the world and our academic standards are the most rigorous in the country, but our investment in education is among the lowest compared to other states.

Cuts have forced schools to reduce instructional days, eliminate programs like summer school, and lay off teachers and classified school employees. Since 2007, California has lost approximately 32,000 teachers or 11 percent of the total workforce. Classified employees have also been hard hit by layoffs—30,000 school para-educators, custodians, bus drivers, food service workers, and other classifieds have been laid off in the last few years and another 17,000 have taken unpaid furlough days.

The Federation opposes any further cuts to public schools or layoffs of school employees. We oppose takeaways from teachers and classified employees that undermine collective bargaining agreements. The workers that teach our children and keep our schools running everyday deserve fair tenure, benefits, and retirement security and we will continue to fight against rollbacks. We oppose draconian teacher discipline policies that evade the progressive disciplinary process in collective bargaining agreements. We also oppose the education trigger cuts that would cause irreparable damage to our public schools and our children. We support providing classified school employees 60-day layoff notices so they can have time to prepare for an eventual layoff.

School employees work every day to teach our children and provide them with a safe and healthy environment in which they can learn. Instead of placing blame on school employees for the difficulties faced by schools, all stakeholders should be working together to improve our public schools. Through strong partnerships between school administrators, teachers, classified school employees, and parents, we can begin to tackle the many challenges facing our public schools.

Schools are complex systems that operate within the context of families, communities, and the support received from state and national sources. The school’s abilities to help children learn depends on children arriving at school with the support they need to succeed, including safe and nurturing communities with secure housing, food, health care, and access to high-quality early childhood education.

The school must have leaders trained to be inclusive and able to work with teachers to unite around a common vision of what constitutes high-quality instruction. School leaders must be able to work with parents and the community to provide a safe and supportive school culture. Teachers must have access to quality professional development, adequate resources, a research based curriculum, small class sizes, and time to collaborate. Children need to have the services of classroom aides, librarians, psychologists, and counselors in order to achieve at their highest potential.

New school funding mechanisms open up a path for schools to collaborate more closely with staff and parents. Governor Brown succeeded in pushing through the Local Control Funding Formula (LCFF) in 2013 which fundamentally changes the way K-12 education is funded. The LCFF is a historic change in public school finance to ensure that funding is equitable and transparent.

The LCFF changes school financing by shifting away from funding from property tax levels and categorical streams. The LCFF eliminates nearly all 60-plus categorical programs and revenue limits. Instead, the LCFF creates a statewide base grant for all students across the state. The new program recognizes that it costs more to educate some students than others. For each student who is from a low-income family, is a foster youth, or an English Language Learner, a district receives a supplemental grant. If the number of target students is greater than 55 percent of the total student population, the district receives a concentration grant.

Local school districts are required to develop a Local Control and Accountability Plan that details how they will use funding to meet the needs of students in their district. The plan requires input for stakeholders which will give teachers, classified employees, and parents the opportunity to weigh in on the
districts’ plans. Though all districts will receive a base grant, some districts will receive increased funding, which will impact the implementation of local plans and collective bargaining for teachers and classified employees.

The LCFF implements a system to make school funding more equitable for the students that need additional support to be successful. The Federation supports transparent and fair financing of schools so all students have a chance to excel. 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.

The Federation opposes attempts to undermine public education. We reaffirm our strong opposition to vouchers, tax credits for private school tuition, and other privatization schemes based on the erroneous premise that market competition is the key to educational success.

We join education unions in opposing the implementation of federal Race to the Top legislation at the state level. The Governor and legislators have demonstrated a willingness to repeat the past mistakes of No Child Left Behind, including an over-reliance on test scores as a measure of student achievement, unregulated charter schools, and compensation tied to test scores, all for the promise of just a small amount of one-time federal money. California should not implement federal changes to our education system that have not proven to be effective for students, parents, or teachers.

Real educational reform must go beyond limited individual choice, which merely benefits those families who have the time and resources to compare schools, participate in the open enrollment process, and transport kids outside of the district. Real reform should focus on improving all schools so those without the means to transfer, often the neediest kids in our school system, do not get trapped in the worst schools that everyone else has given up on.

Legislators would like to increase the number of charter schools in the state, even though charter schools are not held to the same accountability measures as public schools. Charter schools are not inherently better than public schools. In fact, studies show that charter schools succeed and fail at the same rate as public schools. There is no reason for charter schools to have any less scrutiny or accountability than public schools. In fact, without real accountability for all schools, parent choice is meaningless.

**Comprehensive, Life-long Education**

We must fully fund all services for students to achieve their learning potential, including child care, preschool, after-school sports, cultural programs, health care, counseling and nutritional programs, 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 the appropriate number of full-time and/or part-time teachers, counselors, paraprofessionals, and other 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.

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. We also believe that early childhood education providers should have access to quality training and be properly compensated. In the long run, California should provide high-quality state-subsidized child care linked to the public school system. This is the best way to ensure that working parents have good, affordable child care, and that child care workers receive decent wages, benefits, and access to career ladders.
Higher Education

We support universal access to public higher education, including community college, the California State University (CSU), and the University of California (UC) systems. California has traditionally led the way in ensuring that everyone who wanted to enroll in higher education could do so. But rising tuition and elimination of classes and programs, due to ongoing state budget crises, have limited access for many.

Though UC has not had a tuition increase for the last six years, a decade of fee increases have taken a toll on middle class families and made higher education inaccessible for many Californians. In 2011, UC and CSU had the highest percentage increase in student fees and tuition in the nation—surpassing increases at private universities. We support tuition-free higher education, and, in the absence of that, we support vast improvements in the availability of financial aid.

In response to skyrocketing college costs and growing student debt, a new plan has emerged called Pay It Forward. Pay It Forward is a policy idea that would allow students to attend public colleges with no up-front tuition costs, instead paying the state back a percentage of their income for a specified number of years after they leave school. Proponents have promised that this would revolutionize higher education financing and allow students to graduate without debts to banks or the federal government. In reality, since the program only covers tuition – around 40 percent of the total cost of education – students may still need to rely upon student loans to finance living expenses and books.

More importantly, Pay It Forward does nothing to address the underlying causes for high student debt—state disinvestment in higher education and the subsequent reliance on higher tuition. If anything, Pay It Forward actually masks and exacerbates the core problem, pushing more costs on to the student and hiding those costs until after graduation. Australia, which has implemented a Pay It Forward-style system, is actually considering increasing the share of the costs borne by the student from 40 percent to 55 percent. The Federation opposes Pay It Forward proposals that increase student debt and make it even harder for middle class families to pay for college.

We support proposals to eliminate bureaucratic bloat and excessive CEO salaries in order to lower tuition, increase the number of faculty, and restore cuts to UC and CSU workers’ pay and benefits.

The Federation opposes educational methods that replace faculty and classroom learning with technological quick fixes. Research demonstrates that students are more likely to drop out of online education classes with attrition rates reaching as high as 90 percent. San Jose State’s experiment with online education is a cautionary tale for universities. The school cancelled a contract for online class in basic subjects with Udacity, an online education corporation, after students in these classes failed final exams at rates between 56 to 76 percent.

In the face of state budget cuts to higher education, the UC and CSU systems have instituted furloughs, wage freezes, and pay cuts to balance their budgets on the backs of workers. The Federation opposes cost-saving measures that punish workers, while executives at UC and CSU are receiving increased compensation packages. The UC and CSU systems have historically given new administrators more than double digit pay hikes. We support caps on executive compensation and freezes of raises when student fees are increased.

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 and 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 all academic and classified employees.
HIGH-QUALITY, ACCESSIBLE PUBLIC EDUCATION, Continued

It is unacceptable that the UC and CSU systems, which are dedicated to giving their students opportunities for better jobs and financial security, are some of the state’s worst employers when it comes to giving those same protections to their own workers. The Federation joins its affiliated unions in calling upon all of California’s institutions of higher education to make the promise of secure, living-wage jobs a reality for both their students and their own employees.

The Federation supports increased transparency and accountability of the UC system. We support measures to increase public access to records, protect whistleblowers, and investigate the use of state and federal funds by UC. We also support joint governance of the UC pension program, which is currently managed exclusively by the UC Regents and is the only public pension system in the state without direct employee representation.

The Federation opposes attempts to increase student fees, cut worker wages, benefits and jobs, or limit the accessibility, affordability, or quality of education at UC. UC is a key public resource and economic engine for California, and we cannot afford to shut out working people from its hallowed halls.

Career Technical Education 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, and benefits and working conditions will suffer. The Federation supports creative partnerships between schools, colleges, businesses, unions, and the public sector to expand the skills of California workers.

The Federation joins the State Building and Construction Trades Council in support of improving and expanding the state’s role in training workers for the new economy and providing career technical education (CTE) opportunities. For well over a decade, California’s high schools have been neglecting career technical education. Since 1997, there has been a 24 percent reduction in CTE courses and teachers, and a 30 percent drop in CTE enrollment, which stood at 868,265 in 1997, and had dropped to 610,856 by 2007.

With appropriate resources and focus on employment and training needs in high-skill, high-wage jobs, high schools and colleges can help train students to join the workforce through career technical education programs. 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 do not 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 some college and adult education programs that do not fully prepare people for a specific career, 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 an average of nearly $9,000 a year per student. Unions spend $200 million a year for apprenticeship programs in California. The Federation supports continued and increased state funding for apprenticeship programs, which, despite their value to workers and the economy, 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 do not graduate any apprentices. We support legislation to limit state funding to apprenticeship programs that graduate apprentices. We also support broader accountability in apprenticeship programs.

The Federation’s Workforce and Economic Development (WED) program assists unions in creating high-skill training programs and high-road partnerships to keep union workers well trained and competitive. The program helps affiliates make use of government programs such as the Workforce Investment Act, the Employment Training Panel, and other economic development grants in order to improve the skills and lives of their members.

Local Workforce Investment Boards (WIBs) set workforce policy for their jurisdictions and provide oversight of employment services. The Federation passed into law policy to increase the amount of federal training funds spent on quality training programs and services that support workers enrolled in skills training. We support holding WIBs accountable for providing quality services and job-placement for workers. We oppose using state and federal funds to place workers at temporary agencies, Walmarts, and other low-road employers. Job training funds should be used to train and place workers in growing sectors and industries and in middle-class jobs.

The Federation recognizes that the state and its industrial leadership are now at serious risk of losing the competitive advantage of a highly trained workforce. The Governor and Legislature must lead a strategic effort to forge the state’s education and training infrastructure into an integrated system of skills development that addresses the needs of all California workers. We understand that worker training and union involvement are prerequisites for creating sustainable jobs and a sustainable economy.

**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 American and Californian history, and to the contemporary economy. We also need to push labor education out of our universities and into our unions so that union members can learn about and celebrate their history and the history of the Labor movement.

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.

The Miguel Contreras Labor Program stretches across the University of California system to carry out research and education on issues of labor and employment. Unfortunately, the Labor Program has been the target of partisan attacks in the budget process, and its budget has required vigilant defense year after year. The Federation supports permanent funding for the program and opposes partisan attempts to deny funding for research on the important labor topics it covers.

We support the UC Berkeley and UCLA Labor Centers that provide cutting-edge research, training, and support for workers’ rights, union organizing, and collective bargaining in the state. We also support the creation of new and exciting labor centers at other UC campuses.

The Federation is also represented on the Speaker’s Commission on Labor Education.

Through the Commission, and its diverse union membership made up of leaders and activists throughout California, the Federation has helped create the Commission’s website. The site serves as a clearinghouse of labor information for educators teaching labor education in their classrooms. The Commission has also taken an active role in ensuring that labor history is adequately included in crafting standards for high school and middle school textbooks used in California.
High-Quality, Universal Health Care Coverage

FOR years, California’s unions have led the fight for better, more affordable health care in California. From supporting single payer legislation to championing an employer mandate in Proposition 72 and strengthening the Affordable Care Act, the Federation and its affiliates have fought to secure quality, affordable health coverage for workers who have it, and to expand coverage to those without.

The passage of the federal Affordable Care Act (ACA) extended health care coverage to Californians without job-based coverage and is a historic expansion of the existing insurance model. However, our work is far from over. The federal law extends health coverage to the uninsured, but falls short in addressing the rising cost of health care.

For decades, union members have foregone wage increases in collective bargaining to maintain their affordable, high-quality health coverage. Bargaining disputes, strikes, and lockouts have increasingly been caused by employers trying to shift rising health care costs onto workers by cutting benefits and increasing workers’ share of cost. Unions and working people are facing a health care crisis as the cost of health coverage quickly outpaces wages and makes bargaining good contracts and organizing new members more difficult.

The ACA created a number of difficult challenges for unions, workers, and multi-employer trust funds. We will continue to fight the 40 percent excise tax on our health plans—plans that workers gave up raises to secure for themselves and their families. But it also creates a number of opportunities. The health care system in this state and country is rapidly changing and the millions of newly insured will soon feel the pinch of rising health care costs. Now that most Californians have access to coverage, a new chapter in Labor’s work on health care is beginning. Now is the time to address the cost of health care and expand access to remaining uninsured.

The goal of establishing a universal, single payer health care system remains. The experience of Medicare, and of nearly every other industrialized country, shows a single payer system is the most cost-effective and equitable way to provide quality health care. The Federation supports the creation of a comprehensive universal single payer health care system in the state that covers all Californians, regardless of immigration status.

Even with the most expensive health care system in the world, California’s working families still confront unacceptably low standards of care with respect to overall quality, medical errors, hospital-acquired infections, and understaffed facilities and provider networks. Funding for our public health system is so inadequate that it is falling into disrepair and the state is facing an alarming shortage of hospital emergency rooms. We support the Quadruple Aim for our health care system—lower costs, higher quality, better health outcomes, and improved equity for our members and workers.

After the Affordable Care Act: The Work Continues

The Federation will be vigilant in protecting workers against the greed of insurance companies, hospitals, durable medical device manufacturers, and pharmaceutical companies as we monitor and advocate for implementation. The Federation opposes federal and state attempts to tax the health care coverage that working families receive through their employers. Union members have fought hard and sacrificed tremendously to maintain coverage through work.
Central to the Affordable Care Act is the idea of shared responsibility. Individuals, government, and employers all contribute their fair share to ensure access to affordable health coverage for all Americans. Under the ACA, employers are now required to provide affordable coverage or pay a penalty if their employees access publicly-subsidized health coverage through the Exchange. The penalty goes to offset the public cost of the subsidy.

The ACA penalty, however, does not apply to part-timers, seasonal workers, or workers enrolled in Medi-Cal. This loophole in the ACA creates a perverse incentive for employers to cut workers’ hours and eliminate benefits to evade the penalties—either by increasing part-timers or paying so little that workers qualify for Medi-Cal. The state expansion of the Medi-Cal program allows large employers to shift even more of the costs of their employees’ health care onto the public. A childless adult could work 30 hours a week at $10 an hour and still qualify for Medi-Cal under the expansion.

In 2013, the Federation and the UFCW co-sponsored legislation to address the “Walmart Loophole” in the ACA that would ensure that the largest employers in the state pay their fair share for health coverage. It imposed a penalty on large employers with 500 or more employees that have workers enrolled in Medi-Cal. The penalty would go to fund the Medi-Cal program and increase access to doctors for recipients.

While that bill was not successful, we came back to the legislature in 2014, with a Labor Federation, SEIU Local 1000, and UFCW sponsored bill to require new reporting on large employers with workers on Medi-Cal so that we can hold those large employers accountable for shifting the costs of health care back to the state and federal governments.

We will continue to fight for increased transparency of companies that shift the cost of health care onto taxpayers. In order to sustain a robust public health system, employers have to pay their fair share. The Federation will continue to fight to close the Walmart Loophole through legislation and political action.

Even after the implementation of the ACA, millions of Californians will remain uninsured. Many are undocumented immigrants who under the federal law were excluded from coverage in the Exchange and Medi-Cal, and the rest are the residually uninsured who, many for affordability issues, will continue to depend on the state and local safety net and public hospitals and clinics for their health care. Much work is left to do to ensure that all Californians have access to affordable, quality health care and are not left to suffer in crumbling, overcrowded emergency rooms. Coverage should be expanded to include all Californians regardless of immigration status.

**Rein in Health Care Costs**

The Affordable Care Act implements some cost containment measures, but does not go far enough to address the core problem of the high cost of health care. From 1999 to 2015, health care premiums increased 221 percent. Workers’ contributions to premiums increased 203 percent at the same time, meaning that workers are paying more of a share for every-increasing health coverage.

The price of health care goods and services are driving cost trends for large purchasers much more than utilization. That means that no matter how hard a union tries to keep members healthy and reduce the use of health care, sky-high prices will still drive up our premiums. Unless we take action to control price inflation, the rising cost of health care will be uncontrollable and unsustainable.

Spending on prescription drugs has outpaced other health care spending, and is poised to grow even faster. Spending on drugs increased 12.2 percent from 2013-14, while overall expenditures went up only 5.3 percent. Drug prices make up a large share of job-based health care costs. Currently, drugs that are part of a pharmacy benefit make up 19 percent of employer-sponsored benefit plan spending. That share does not include drugs administered in in-patient settings, such as very expensive chemotherapy drugs, which further drive up premiums.

Prescription drugs are poised to drive up health care costs even faster as new specialty drugs hit the market. The term “specialty drug” is often used to describe high-cost medications that treat chronic, complex diseases like Hepatitis C or cancer. The cost of Sovaldi alone is predicted to increase everyone’s
premiums by $600 every year. U.S. spending on specialty drugs is predicted to quadruple by 2020. Generic drug prices are also increasing, adding more cost pressure to purchasers.

In California, hospitals are already expensive and getting more so. Nine of the ten most expensive hospitals in the country and the hospital with the second highest profits in the country is a non-profit hospital system in California as measured by Medicare data. The price of a hospital stay for a privately insured patient has increased by 8.5 percent annually for the last five years.

High prices do not always correlate with better quality in health care. Studies show that high cost hospitals score the same or worse than lower cost hospitals on quality measures based on objective outcomes. For example, John Muir Health in the East Bay and Cedars Sinai in Los Angeles are some of the most expensive hospitals in the state, yet their quality ratings are no better than other, less expensive hospitals in those regions.

Hospitals benefit from increasing consolidation that gives them leverage over health plans and purchasers. Hospitals that dominate their market can charge higher prices often unrelated to underlying cost or quality. Research shows that when hospitals merge in concentrated markets, prices increase from 13-20 percent. Without increased regulation, hospitals, which have increasingly consolidated, can wield their market power to increase prices without limit or even much scrutiny.

To make matters worse, consumers and purchasers have limited access to accurate cost and quality information. Multi-employer plans are forced to negotiate with health plans with little information to guide them or to inform decisions as to how to reduce costs internally. Members are left to blindly choose where to go for procedures with little to no information on the price, the cost to them, or the quality of the provider.

Another concern for workers and consumers is the increasing out-of-pocket costs they pay for health care. Employers have always attempted to shift the cost of premiums and co-pays onto workers. Now workers have to pay even more for health care through high deductible plans (HDHPs), co-insurance, and surprise bills. High deductible plans, which can have deductibles as high as $6000, require patients to pay out-of-pocket until they reach their deductible. This forces many people to delay or forgo necessary care because its cost-prohibitive. HDHPs only increase the overall cost of health care since patients end up in emergency rooms in critical condition rather getting the preventive care they need. Co-insurance requires patients to pay more and more out-of-pocket for services and prescriptions, especially for specialty drugs that already cost exorbitant amounts.

Surprise medical bills undermine the goal of the ACA to eliminate medical debt and bankruptcy. When workers go to an in-network hospital or provider for coverage, they expect the procedure to be covered. But increasingly, working people are hit with surprise bills in the thousands of dollars as a result of loopholes that allows some health providers like radiologists or anesthesiologists to charge out-of-network fees for services that are otherwise included in a workers’ health plan. It’s this type of gaming of the system that’s driving health costs higher for both workers and employers.

The Federation supports legislation to protect workers and their families from exorbitant surprise bills for medical procedures that they thought were covered. We support setting a fair and reasonable payment standard for doctors to prevent premiums from increasing. We will continue to fight to prevent doctors from unfairly billing our members and taking more money out of workers’ hard-earned wages.

Health care cost containment and reform is complex and challenging. The Labor Federation will take a long-term, multi-pronged approach to the problem. At the same time, we remain committed to instituting a single payer system that would eliminate some of the unnecessary and duplicative spending in health care. Here are areas for future work:

- **Make provider costs and quality more transparent**: Bring transparency to health care pricing through a public database that will benefit purchasers, policy makers, and consumers. Purchasers can use the database to compare cost and quality of various providers. Purchasers can use the information for value based health benefit design and to eliminate waste by dropping low-quality providers. The
database will provide valuable information on cost trends and drivers in health care for legislators to enact appropriate health care reforms. Any public database must go beyond claims data to capture capitated and other payment forms as our health care system rapidly shifts away from fee-for-service payments. Data must be available to the public and include cost and quality to identify true value for members and consumers.

- Prevent cost-shifting to consumers: High deductible plans, increased cost-sharing, and surprise bills all shift the burden of our expensive health care system onto the least powerful player—the consumer. We support efforts to prevent the spread of high deductible plans, coinsurance, and other cost-shifting measures. We also support legislation to prohibit surprise bills and to prevent overpayment to out-of-network doctors. Consumers are the one group not making money off the health care system and we need to ensure we protect their interests in every aspect of the health care delivery system.

- Require large group rate review and regulation: Rate review in the large group insurance market, similar to existing requirements for individual and small group, would increase transparency and scrutiny of health plan rate increases and give purchasers the data they need to negotiate with health plans and make value based purchasing decisions. Rate review for the individual and small group markets has reduced premiums by hundreds of millions of dollars in California since 2011. Regulation would give agencies the ability to evaluate and approve, reject, or modify proposed rate increases, weeding out waste and putting pressure for cost containment throughout the system.

- Regulate provider price setting: Currently, hospital and provider prices, when made public, seem to have no relationship to the actual cost of providing the service. Unlike Medicare payments, hospitals and providers are not limited to a certain percentage increase over cost for the prices they charge, or attempt to charge. Even with the discounts negotiated by health plans, providers can rake in considerable profits if their original prices were inflated thousands of percentage points above cost. Provider price regulation is needed to ensure that prices are both reasonable and allow for high-quality, innovative care by the best professionals available.

- Prohibit anti-competitive contracting practices: Some providers have used unfair contracting requirements to price gouge purchasers. These practices include “all or nothing” requirements that purchasers include all hospitals in a system in their network, depriving purchasers of the ability to exclude high-cost, low-quality providers in certain markets. The contracts also prohibit steering members to lower-cost providers through the use of incentives and other practices. We oppose anti-competitive practices that drive up prices and prevent our union trusts from developing programs to lower costs and to send members to higher-quality facilities. We also oppose any legislation that would limit or undermine unions’ ability to litigate anti-trust claims against monopoly providers.

- Make prescription drugs more affordable: The Federation believes in a more accountable, transparent drug industry that provides greater access to affordable medications. We support rate setting and regulation of drug manufacturers including prohibitions on predatory pricing. We support mandated transparency of drug pricing to force drug companies to justify high-priced drugs of any class. We support the re-importation of drugs from countries with strong safety records, restrictions on drug marketing, direct price controls on pharmaceuticals, improved evidence-based drug information, and broader access to generic medications.

- Utilize bulk purchasing power more effectively: One of the primary failings of the Medicare Part D program is its statutory prohibition of bulk negotiation by the government on behalf of plan beneficiaries. This drug company-influenced provision keeps Medicare from utilizing its tremendous market leverage to lower prices and improve the quality of the program, and we call for its repeal. The Federation supports efforts to use that power aggressively in all aspects of health care purchasing, to promote health plans that are good for us as consumers and as union workers.

- 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. CalPERS is a powerful force in the health care market, and Covered California is now the
largest purchaser in the state. Together, large purchasers could exert considerable influence in the health care market to drive delivery reform, contain costs, decrease waste, and increase quality care.

- **Enact strong regulation for all aspects of the health care industry:** The Federation supports regulations in the health care industry that would make the industry more transparent, expand access to care, ensure timely care especially in light of narrow networks, promote strong state oversight and enforcement, contain costs, and improve quality. The Federation supports efforts to end the double-dealing of pharmacy benefits managers by requiring better transparency and corporate behavior within that industry. The Federation endorses proposals to regulate the rates charged by hospitals, health insurers, and HMOs. We also support stronger state oversight and regulation of mergers and consolidation in all sectors of the health care industry, including hospitals, insurers, physician groups, and drug manufacturers.

### Protect the Public Health Care and Safety Net Systems

Even after the full implementation of the Affordable Care Act, millions of Californians will remain uninsured. The ACA explicitly excludes undocumented immigrants from coverage through the Exchange or Medi-Cal, and millions of Californians will fall through the cracks because of coverage gaps and other issues. Health care for all is a critical issue to ensure the health and well-being of our state and our economy.

- **Extend health coverage to all Californians:** Californians who do not have health care coverage are forced to rely on emergency rooms and public hospitals and clinics creating increased costs for us all. In the worst case, individuals forego critical care altogether, risking their health and their lives because of a lack of access. In order for the ACA to work, all Californians need health care coverage. The Federation supports extending state Medi-Cal and other subsidized health care coverage options to all Californians, regardless of immigration status.

- **Fund public hospitals and community clinics at an appropriate level:** America's health care safety net is currently frayed and in desperate need of repair, not dismantling. Millions of Californians will remain uninsured under the ACA, and public hospitals and clinics are critical to their health care needs. Cutting funding to public providers is short-sighted and will drive up costs in the long run as the uninsured suffer worsening health conditions from lack of access. We call for policy makers to adequately fund and maintain a viable safety net.

- **Fund hospital seismic safety retrofits:** 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.

- **Hold providers accountable for charity care:** Private hospitals play an essential role in providing care for the uninsured, a role that continues after the ACA. Nonprofit hospitals have an obligation to provide charity care in exchange for an exemption from paying taxes. The state needs a clear and measurable definition of charity care to ensure that private hospitals are fulfilling their responsibility to provide care for the most vulnerable residents. The state must enforce the requirements and standards for charity care as an integral part of California's health care safety net.

### Improve Health Care Quality

- **Improve and enforce staffing standards in health care facilities:** Health care facilities often intentionally understaff their facilities to boost their bottom lines. Hospitals are also frequently pushing sick patients out of the hospital and into outpatient settings to avoid staffing requirements and save money. Understaffing is directly tied to higher rates of medical errors and lower-quality patient care. Staffing standards are needed at all staff levels to ensure that caregivers are able to manage their patient loads. Existing staffing standards, including nurse ratios, should be vigorously enforced through systematic monitoring of compliance with state law.
Require regulation of outpatient care: Hospitals are increasingly shifting to outpatient care. From 2008-2012, total inpatient admissions fell by 2 million and outpatient visits rose by 50 million visits. Care is increasingly provided in retail clinics, urgent care centers, ambulatory surgery centers, and free-standing ERs. Outpatient care is less regulated than hospitals with no requirements for seismic safety, nurse staffing ratio, or other hospital laws. Patients also have different payment schedules for outpatient care and could be subject to undisclosed fees. We support leveling the playing field between in and outpatient care and ensuring that patient and worker health and safety are protected no matter in what setting care is delivered.

Require disclosure of provider and health plan cost, quality, and disparities: Health care prices have little correlation with the quality of care provided. We need evidence-based quality ratings of providers and health plans based on the quality, accessibility, equity, and outcomes associated with care so that purchasers and consumers alike can make health care decisions based on value. Weeding out high-cost, low-quality providers will help contain costs for purchasers and consumers and help to push for increased quality and lower costs in the market. We also know that purchasers and payers can improve overall quality without making any progress toward reducing or eliminating disparities. Stratifying health quality data by race, ethnicity, gender, sexual orientation, and gender identity will allow purchasers and policymakers to identify and address health disparities which are not going to be addressed with quality improvement as the only lens.

Health Care Workforce

Support efforts for the advancement and training of health care workers: The ACA will increase demands for health care workers as millions of Californians gain access to health care. We urge the development of high-road partnerships to train 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. The ACA offers many new opportunities for funding to train and expand a health care workforce that meets the new needs created by the expansion of coverage in 2014. California should ensure that as the ACA increases coverage our workforce training programs meet those needs.

Ensure high-quality, appropriate medical services: A dangerous trend toward enlisting non-medical staff to provide medical services is sweeping California. With inadequate funding, schools are enlisting non-medical personnel like teachers, custodians, cafeteria workers, and bus drivers to perform medical procedures including administering the anti-seizure drug Diastat. The same trend can be seen in health facilities as more work is passed from medical personnel and nurses to other classifications including unlicensed personnel, in order to provide services to patients at a lower cost. We oppose requiring or requesting that non-medical personnel “volunteer” to provide medical services or procedures that they are not appropriately licensed to provide. Our schools and other public institutions should be fully funded in order to provide the services, including health services, necessary for the public.

Protect the health and safety of health care workers: Health care workers face exposure to infectious diseases, needle pricks, violence, and other health risks every day at their workplace. Every effort should be made to protect the health and safety of those workers who care for our health. Health facilities should enact comprehensive infection control programs that include robust education, access to necessary vaccines, hand-washing and cough protocols, housekeeping services, and adequate sick leave policies. However, no health care workers should be forced to receive a medical procedure or face discipline. We oppose mandatory vaccination or masking policies that coerce health care workers into receiving a vaccine against their will. We support comprehensive education campaigns that involve health care workers in effective infection control and prevention. Additionally, violence in health care settings is a continuing problem, and the risk of workplace violence is a serious occupational hazard for health care workers. Health facilities should establish comprehensive workplace violence prevention programs that address and prevent violence and that ensure adequate protection for workers.
Affordable and accessible health coverage for all is important for individuals and for our nation. Health coverage allows individuals to get timely and adequate care to prevent and detect major illnesses. It improves health outcomes and allows people to live healthy and productive lives. Health coverage expands the risk pool, driving down costs and saving money from reduced ER visits and charity care. A healthy population creates a healthy state. The Federation will continue to support policies that give all Californians access to affordable care that meets their needs and keeps them healthy.
**Strong Protections for Worker Health and Safety**

An average of 13 American workers are fatally injured at work every day, and each year an estimated 50,000 die from occupational diseases while nearly three million workers reported work-related injuries and illnesses. Latino workers, especially those born outside the U.S., have disproportionately high rates of workplace injury and death.

The 2014 Bay Area Rapid Transit (BART) worker fatalities remind us that workplace catastrophes are not limited to private sector workers or those concentrated in historically “dangerous” industries. Workers in every industry sector across the state require a strong and well-funded health and safety infrastructure.

The Federation believes that a safe and healthy workplace is a right of all workers. While a good workers’ compensation system is vital for injured workers, preventing workplace injuries and illnesses before they occur is even more important.

**Inspections and Enforcement**

As of January 2016, there were 194 Cal/OSHA inspectors. That means there is one inspector for every 92,000 workers. Clearly this system is stretched so thin that it struggles to keep workers safe.

The Federation commends Governor Brown for appointing strong advocates for worker health and safety to run Cal/OSHA. New leadership will invigorate the agency and send a clear message to employers that they are not allowed to cut corners on workplace safety.

The Federation opposes any efforts to eliminate the Cal/OSHA Standards Board (OSHSB). The OSHSB, a seven member body appointed by the Governor, retains exclusive authority to consider and adopt proposed safety and health regulations. Two seats on OSHSB are reserved for Labor representatives, and through these appointments, workers enjoy a strong voice in the process by which safety standards are developed. We believe this structure works for all parties.

The Federation believes that joint liability between contractors and their subcontractors is essential in an economy that is so fragmented. General contractors should not be allowed to ignore the poor safety records of their subcontractors, but should instead be held jointly accountable for their subcontractors’ violations of worker health and safety laws. This is the only way to prevent employers from turning a blind eye and profiting by the way subcontractors skirt the law.

The Federation believes that employer fines for workplace hazards should never be considered a mere “cost of doing business.” While California generally has a higher set of fines, they are still an inadequate deterrent because they are so frequently reduced or eliminated through the appeals process.

The Federation supports establishing mandatory minimum payments for fines related to workplace hazards and prohibiting employers from negotiating away more than a specified percentage of fines they have been assessed. In order to create a serious deterrent to continued violations, we need an escalation of fines and penalties for violations. We also support directly funnelling back employer-paid penalties for workplace violations into labor law enforcement budgets. In no case, however, should fines be used as a replacement for adequate institutional funding of enforcement bodies.

Continued
Due to persistent under-funding in the state budget, 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 worksites and actively engage their employers to improve working conditions. We support programs that help workers sharpen their skills in improving workplace safety and health.

**Vulnerable Populations**

The workplace is an especially dangerous place for immigrants. While the national rate of fatal occupational injuries stands at 3.3 per 100,000 workers, Latino workers are being fatally injured on the job at a far higher rate. In California, Latinos account for 50 percent of all on-the-job fatalities while comprising only 36 percent of the workforce. The jobs that lure many immigrants to the U.S. are now killing an average of 19 native- and foreign-born Latino workers each week.

Immigrants face many workplace hazards that could hurt them, even if they are not fatal. California banned the short-handled hoe in 1975 to prevent debilitating back injuries, but many farmers then started to require workers to pull weeds by hand instead, which can be just as dangerous, if not more so. Together with California Rural Legal Assistance, Labor 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.

**Workplace Hazards**

Workers face a wide variety of hazards in the course of their jobs. From dangerous equipment to extreme temperatures to toxic chemicals, even workplaces that follow basic safety rules can pose serious dangers to their workers.

The Federation will work with new leadership at this critical Board so that employers who break the law, ignore the law, or willfully put workers’ lives at risk do not get off with a simple slap on the wrist.

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 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.

**Heat-Related Illnesses**

Because of California’s climate, its workers are particularly susceptible to heat-related illnesses and injuries. In the summer of 2005, several farm workers and construction workers in California died while working in the scorching summer heat. The deaths prompted the enactment of a temporary emergency measure 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 temporary regulations were replaced with substantially similar permanent regulations in 2006 and then substantially strengthened in 2015. We will continue to find ways to further improve this historic standard to protect outdoor workers. Since the adoption of the outdoor heat regulations, the Federation has also supported legislation to create similar heat stress protections for indoor workers. The Federation calls for immediate action to establish heat-related protections for indoor workers.
**Chemical Exposure**

There are currently more than 80,000 chemicals on the market in the U.S. In increasing numbers, these chemicals have been linked to health problems including cancer, infertility, birth defects, and learning disabilities. The continuing use of these chemicals poses threats to the health of a broad range of Californians. From the worker who manufactures a chemical, to the worker who uses it later to create a product, to the worker who sells the product, to a consumer and the workers who eventually deal with its disposal, any given chemical can touch a host of workers and consumers over its life cycle. Many of these chemicals do not break down in the environment, leading to even more possible exposure for workers over the years.

Because of this long chain of potential dangers, the Federation supports the development of a green chemistry program passed in 2008. This program will, when implemented, encourage the design of products and processes that reduce or eliminate the use and generation of hazardous substances. The underlying theory of green chemistry is to make chemicals safer from the beginning so that they pose fewer problems throughout their lifecycle.

Until we develop safer alternatives and a robust green chemistry program, the Federation will continue to support efforts to reduce or eliminate the use of specific chemicals that pose proven health hazards to workers or consumers. We support requirements for chemical manufacturers to provide workers, consumers, and the government with more information about dangers posed by their products. We have recently supported legislative and administrative actions to limit the use of diacetyl, phthalates, and PFOA, all ubiquitous chemicals with proven health risks to workers and consumers. We also support better testing protocols for workers exposed to chemicals in the agriculture industry.

We oppose rollbacks of regulations of known carcinogenic and toxic chemicals. These regulations protect both workers and consumers alike and are critical to prevent exposure to substances that increase disease and fatality rates. We also oppose any efforts to undermine standards for the levels of exposure to toxins that are deemed acceptable at worksites or in consumer goods.

As part of the ongoing effort to determine the biological impacts of chemicals, the Federation also supports the use of bio-monitoring and body burden studies. These approaches monitor the levels of specific chemicals in human bodies to help the scientific community better understand the impact of chemical exposures on human health. While bio-monitoring can provide immensely valuable information that can help save workers’ lives, such studies should remain voluntary for workers and must include strong privacy protections for all participants. Workers should also be guaranteed that results of bio-monitoring cannot be used by employers to discriminate against them.

**Personal Protective Equipment Regulation**

Some Cal/OSHA safety standards identify personal protective equipment (PPE) that specific types of workers must wear while on the job. Common examples of required PPE include protective eyewear, specialty gloves, or boots with metatarsal protection. Case law clearly establishes the employer duty to provide such equipment at no cost to workers, but regulatory and statutory language remains largely silent on the issue. The Federation believes that case law offers sufficient clarity and no such regulation or law is necessary. However, should any such rule or law be adopted, the language must not allow any exceptions to this longstanding policy of requiring employers to provide all mandated PPE at no cost to the employee.

All efforts to weaken this standard will be opposed by the Federation. For example, in 2012, Labor faced an organized effort to roll back this protection and shift responsibility for some PPE from employers to workers. Fortunately, thanks to a large turnout of worker advocates and allies, a Cal/OSHA Standards Board advisory committee defeated this proposal.
Fighting Global Climate Change:
Protecting the Environment, Protecting Workers, Creating Jobs

As workers and as residents of California, we all deserve clean air, clean water, safe energy sources, and the preservation of our natural resources. Protecting the environment is both socially responsible and a key component of future growth for the organized Labor community. The decisions we make now about adapting to climate change and the ways we generate energy will impact the economy, environment, and infrastructure of California for decades to come.

We recognize the tremendous potential for new economic and workforce development as a result of changing our patterns of environmental behavior. The Federation’s Workforce and Economic Development program has focused significant time, resources, and energy toward this end. The Federation applauds local and state-level government efforts to encourage the development of green-collar jobs and supports the emerging green technology industry. We also welcome the opportunity for the creation of jobs for climate adaption. These efforts must be met with an equally zealous push from the Labor community to ensure that new green jobs become sustainable union jobs.

We oppose regulatory reform that eviscerates core environmental and worker protections and makes it harder to implement new protections. We will continue to use the regulatory process to ensure those protections remain in place and are aggressively enforced.

Climate Change
Climate change is an indisputable fact that will thoroughly change our economy, our labor markets, and many aspects of our daily lives. The United Nations Framework Convention on Climate Change states that the global nature of the threat of climate change calls for the widest possible cooperation of all Labor, immigrant, human rights, and other community organizations, with their social, political, and economic actions.

A hotter climate threatens Californians in many ways. Economically, changes to our climate can threaten our agriculture and forestry sectors. Climate change may also lead to more severe and lengthy droughts, which have already caused tremendous hardship throughout the state. We have already seen unprecedented wildfires devastate many communities around the state and put working people and their families in danger; increasing frequency and intensity of wildfire is also a predictable consequence of the coming rise in average temperatures.

Sea level rise is also another predicted effect of climate change which would have severe negative impacts on our economy and our lives. Low-lying areas will be threatened by storm surges, floods, and salt-water intrusion into aquifers. Some heavily populated areas are already below sea level, and in worst-case scenarios could become entirely uninhabitable. Impacts to our communities will stretch our social services, especially health care, and our infrastructure, for example coastal and port protection. More investment in physical and social infrastructure will be critically needed to help mitigate the impacts of climate change.

Of course, climate change is not a problem just for California; in fact, its most severe impacts will be felt in other parts of the world first. There is a tremendous inequity in the fact that climate change, caused mostly by carbon emissions from the United States and other developed countries, will have greater
impact on lesser developed countries, which are less equipped to deal with the consequences. For example, see the terrible effects of Typhoon Haiyan/Yolanda in the Philippines. As global temperatures continue to go higher, even more frequent and more powerful typhoons and hurricanes are projected. And even worse, entire low-lying nations such as the Marshall Islands and Bangladesh, to name only two, may be overcome by rising sea levels, driving potentially millions of people from their homes.

Labor’s response to climate change will determine, in large part, whether these changes support our ability to organize new members or whether our strength is undermined. Many new jobs can—and should—be created in both the public and private sectors in order to meet the challenges of climate change. Some examples are increasing the number of fire fighters, nurses, and health care providers of all kinds. Much construction work will be needed to rebuild infrastructure such as ports, sea-walls, marshes, highways, bridges, etc. from rising sea levels. A shift towards more public transit systems will also drive employment both in construction and operations. And moving our entire energy sector away from fossil fuels and towards clean energy also presents both challenges and opportunities for workers and unions, as discussed below.

Labor’s response to climate change will determine, in large part, whether these changes support our ability to organize new members or whether our strength is undermined. The Federation opposed Proposition 23 which would have essentially repealed AB 32, the greenhouse gas reduction law. We will continue to oppose attempts to repeal environmental protection laws that protect our environment and our communities.

In combating climate change and implementing AB 32, California’s greenhouse gas reduction law, and other environmental legislation the Federation’s Executive Council has endorsed the following principles:

- **Building alliances and regional partnerships**: Addressing climate change provides Labor the opportunity to build new alliances and strengthen bonds with environmental, community, and business allies. Furthermore, in order to reach the target called for by AB 32 to mitigate climate change, we call upon employers to step up their efforts to reduce their own emissions and partner with union representatives and community leaders in efforts to seriously address climate change.

- **Sustainability**: Climate stabilization can only be accomplished if our economy and society are structured around the notion of sustainable development and fair trade. For unions, sustainable development requires a commitment to decent working conditions, including a voice at work, the right to organize, and to a safe work environment, as well as access to prevailing and self-sufficient wages.

- **Green jobs must be union jobs with a future**: The struggle against climate change is an opportunity to address unsustainable patterns of development, production, and consumption, and to create new and high-paying green jobs throughout California in renewable energy, the construction trades, public transportation, sustainable farming, and much-needed manufacturing for California workers. It is not enough for a job to be with a clean tech or green employer for it to be truly green. Green jobs include any job that has been upgraded to address the environmental challenges facing the state or nation. A good green job is one with good wages and benefits, an upward career pathway, and a voice on the job: in short, the protections only guaranteed by union membership.

- **Just transition**: With the industrial transition that a green economy brings, workers in many traditional industries will experience major changes, including dislocation or other impacts. We support the concept of “just transition”—no worker should suffer economic hardship or insecurity as a result of the changes required to address climate crisis or other environmental challenges. Provisions shall be made for education, training, retraining, or as necessary, re-employment in comparably good jobs or bridges to retirement.

- **Equity for communities**: People in the poorest communities of our state, who have shouldered much of the burden of our carbon-based economy in terms of poor air quality, health hazards, lower wages, and longer commute times, must be among the first included in job-creation programs, community development, and pollution mitigation efforts.
FIGHTING GLOBAL CLIMATE CHANGE, Continued

- **Job training and coordination of resources:** Greening the economy will require a workforce with new skills. Policy-makers must support, enhance, and leverage union apprenticeship programs, Labor-management training partnerships, career-technical education initiatives, community colleges, local workforce investment boards, and other education, training and worker supports to train new and incumbent workers and build career pathways for the green economy.

- **Climate change is a global problem:** Reducing greenhouse gas emissions will require action on many fronts. Industry, agriculture, transportation, electric generation and land use policies all must change. The regulatory system must ensure that these changes occur comprehensively and fairly. A carbon emissions fee should be levied on carbon emitted in the manufacture of any product sold, used, or imported for sale or use. Emission permits should be auctioned, and state government should administer the market with a majority of the proceeds used to benefit the public, including substantial investment in workforce development, assisting consumers, and attracting and supporting high-road, green California businesses. Domestic manufacturing and other industries must not be asked to compete against unfair foreign or out-of-state competitors that are able to circumvent California’s regulatory scheme. Reducing our at-home climate change footprint, when that reduction actually contributes to increased climate change emissions in another part of the world, is counterproductive.

**Energy**

Safe, reliable, sustainable, and affordable gas and electricity are essential services, and access to these services must be regarded as a universal right. As such, the utility industry shoulders an obligation to serve the public, not just to make money.

A stable, organized, and well-trained utility 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.

The energy crisis in our state was an abject lesson in the dangers of deregulating a vital industry. Out-of-state energy generators reaped windfall profits; and 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.

Energy deregulation has proven to be a failure for all Californians. 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. We supported Proposition 80 on the November 2005 ballot that would have re-regulated the utility industry in California and we will support future like-minded efforts.

In considering future energy policy and re-regulation, the Federation endorses the following principles:

- **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 are shared with ratepayers and taxpayers.

- **Utility Work:** 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.
FIGHTING GLOBAL CLIMATE CHANGE, Continued

- **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. “Renewable Energy Certificates” or other measures which purport to protect the environment, reduce greenhouse gas emissions, or create good jobs somewhere else are not a proper mechanism to provide clean energy in California or protect the environment. We need an energy system that we can understand and that is not marketed by financial institutions who are more interested in profits than in the benefits to residents and workers.

- **Safety**: Energy production can be dangerous, both to workers and neighbors. Safety must be 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.

- **Financial protections**: 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. “Community Choice Aggregation” public agencies must be accountable to the public, must be mandated to provide fair prices and good union jobs, and must use Project Labor Agreements for the work they perform. CCA’s must not be dominated by financial or business interests.

- **Energy alternatives**: We are committed to environmentally safe technology for power generation, for the sake of public health and our world. Wind, solar, biomass, and other alternative energy sources 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, maintained, and operated by a well-trained, unionized workforce here in California. Conventional energy projects should be ranked according to their relative impact on the environment, with higher priority given to those using clean fuels. The construction, maintenance, and operation of these facilities or vessels should also be 100 percent union.

The Federation believes that the sustainability of our energy supply depends on our continual development of safe, renewable energy sources. We support efforts to develop new and improve upon existing renewable portfolio standards for both public and private utilities, provided that such standards are technically feasible and based on truly renewable and environmentally sound forms of energy.

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.
Continued

AS Californians, Americans, consumers, and unionists, we deserve government that works for the people and we deserve fair dealing and accountability from corporations. Without a healthy democracy in which public participation is allowed and encouraged, the voices of union members will be drowned out by the influence of powerful corporations.

Big banks and the financial industry caused the worst economic crisis since the Great Depression by making risky bets on complex and unregulated financial products. As a result of corporate gambling, millions of Americans lost their jobs, homes, and health care and the economy is not predicted to recover for years. After taxpayers spent billions to bail out the banks that caused the crisis, their CEOs are walking away with record profits and millions in compensation and perks. Big banks are now plowing their profits into lobbying against federal regulation of the financial industry.

The Supreme Court seriously undermined our democracy when it ruled to allow unlimited independent campaign spending by business corporations and other groups.

The Citizens United ruling has opened the floodgates to massive spending by corporations and even more so by wealthy donors. They are pouring money into our electoral system and threaten to drown out the voices of ordinary Californians. Common-sense restrictions on their spending are needed, along with robust disclosure of their contributions and expenditures—including their contributions to organizations engaged in electoral activity.

In California, corporate interests have bankrolled anti-worker initiatives and have tried to buy their way into office as candidates. However, they have to contend with California’s unions, which have a long and proud history of making an impact on California’s political landscape. From mobilizing some of the nation’s most effective voter turnout efforts to fighting to defeat some of the worst anti-worker initiatives in the country, the working women and men of this state make sure their voices are heard.

The result of that work is clear: California has passed some of the most progressive pro-worker legislation in the U.S. We have the nation’s second most diverse legislature with solid Democratic majorities in both houses, and, with Labor-supported mayors, city councils, and county supervisors, our local governments have created policies that are being emulated across the country.

We have worked with legislators and community allies to fight back some of the worst business practices of big box behemoths like Walmart, and financial giants like Bank of America and Wells Fargo. We have engaged corporate bad behavior as shareholders, as voters, and as consumers.

The Federation is dedicated to continuing these fights, but in order to be successful, we must both maintain and improve upon our tools for protecting good government and creating accountable corporations.

Good Government

The Federation is committed to ensuring that institutions of government at all levels are responsive to the needs of working families. We support the public’s right to access government meetings. We support the Brown Act and the Bagley-Keene Act, which provide transparency for policymaking by local and
GOOD GOVERNMENT AND ACCOUNTABLE CORPORATIONS, Continued

state agencies. We believe that all of California’s residents deserve the right to make their voices heard by communicating with elected officials both directly and through union representatives.

The Federation supports California’s system of direct democracy through the initiative process. We believe that, in the absence of legislative action or consensus, it is a crucial mechanism for ensuring that voters have the chance to address some of the state’s most pressing issues. While we respect the system, we oppose efforts by corporations to attack unions, collective bargaining, and public employees.

Proposition 32 was just the latest attack on working people and our unions, but there are more to come. In the case of Prop. 32, millions in dark money flooded into the race from anonymous donors. Right-wing billionaires should not be allowed to flout election rules and secretly fund attacks on unions by laundering campaign donations through non-profits. The Federation strongly opposes any and all attempts to silence the voice of union members and working people through deceptive anti-union initiatives. We will advocate for electoral reform that levels the playing field for ordinary Californians and prevents the flow of secret money into our state’s elections.

We believe that government not only has a responsibility to serve its constituents, but also that government entities have a responsibility to the civil servants who make governance possible. We reject the movement to blame public service workers for budget shortfalls. Slashing wages, benefits, and jobs should never be the first resort of decision makers looking to balance the books.

Government entities at all levels must live up to the promises they have made their workers and their retirees. Rather than bringing public sector workers down to the lowest common denominator of vanishing pensions and health benefits, we should continue to raise all workers up to the high standards we all deserve. We support legislation to create defined benefit retirement savings accounts for private sector workers who do not have job-based pensions.

The Federation strongly rejects the use of bankruptcy by government entities and by corporations as a means of evading collectively bargained responsibilities, including pension contributions. The state must play a role in protecting workers and communities from the devastating impact of a municipal bankruptcy. In 2011, we sponsored legislation with the California Professional Firefighters to create a pre-bankruptcy evaluation process to try to avert municipal bankruptcy. We are committed to strengthening that process to make sure it is effective in preventing bankruptcy when possible. Municipal bankruptcy should be used only when absolutely necessary and not turned into a weapon to use against employees.

**Eminent Domain**

As California continues to invest in infrastructure and engages in other development activities like urban infill projects, state and local government entities will inevitably confront the issue of eminent domain.

The Federation supports the government’s ability to exercise eminent domain powers. We reject the recent spate of right-wing efforts, like Proposition 98 in 2008, to use the issue of eminent domain as a ruse to enact broad reaching changes to eminent domain powers, environmental regulations, and rent control ordinances.

**Privatization of Public Assets**

The government has a responsibility for the stewardship of public assets. We oppose efforts to privatize public assets to benefit corporations. This includes the sale or lease of public infrastructure, agencies, funds, or any asset that benefits the public.

The expansion of Business Improvement Districts (BIDs) is another example of creeping privatization of public assets and jobs. BIDs allow local property owners and businesses to pay a fee to contract for services such as trash collection, security, maintenance, and property improvements in business districts. Not only are public employees’ jobs slowly being transferred to private entities, but public spaces such
as plazas and town squares are being transferred to private operators to benefit property owners, rather than the public as a whole. The Federation will continue to oppose the expansion of BIDs and will work to insert language to protect public employees and prevailing wage provisions in existing BIDs.

The Federation rejects the trend toward the privatization of public assets. We believe that it is analogous to, and as undesirable as, contracting out public sector jobs. If public assets are underperforming or underutilized, we support taking steps to improve their performance, but do not support auctioning them off to the highest bidder. The Federation supports many of the goals and programs slated to benefit from various proposals to privatize state assets, but believes that those programs should be funded with long-term, stable, and appropriate financing mechanisms rather than by proposals that mortgage California’s future.

**Regulatory Reform**

Government enacts regulations to ensure Californians have clean air and water, safe food, pharmaceuticals, and workplaces and affordable access to phone service, energy, and other basic necessities. Every year, legislators introduce bills attempting to dismantle the regulatory process under the banner of reform. Legislators blame California’s regulations for creating the economic crisis and preventing recovery. They blames regulations for businesses leaving California and not locating here. Representatives of big business are quick to claim that regulations are costing the state billions in lost revenue and strangling business.

In reality, deregulation is a far greater threat to our economy. Those pushing so-called “regulatory reform” seem to conveniently forget that it was deregulation of the financial industry that caused our economic collapse. In contrast, regulations—like heat stress protections, nurse staffing ratios, and many others—actually save lives.

Big business representatives often use the guise of regulatory reform to attack core workers’ rights like overtime, meal and rest periods, and health and safety standards. Another popular target of deregulation is the California Environmental Quality Act, which serves to protect the public and to require standards for economic development projects. The Federation works to cut through the rhetoric and expose that what business really wants is to eviscerate the protections unions fought for over many long years.

The Federation actively participates in the regulatory process and believes that the current Administrative Procedures Act has sufficient provisions in place to prevent enacting duplicative or overly burdensome regulations. We will continue to oppose misguided attempts to reform the regulatory process or erode existing regulations protecting workers and our communities.

**Holding Corporations Accountable**

The Federation supports an active role for unions and union members in ensuring responsible behavior from corporations. This starts with bargaining the best possible contracts for members, but extends far beyond that, to include shareholder activism, legislative advocacy, and more.

The Federation believes that corporate accountability starts in the boardroom. We oppose outlandish executive compensation packages that benefit management over rank and file workers. We oppose golden parachute payoffs that have no ties to performance or quality. CEOs and management should not be rewarded with bonuses and raises for closing U.S. facilities, laying off workers, and reducing labor costs. No CEO should be given a compensation package earned by eliminating the jobs of workers who made that money for the company. We believe that corporate success should be shared with all workers and shareholders, not simply doled out to the privileged few.

Because of the ripple effects they can create throughout communities, the Federation believes that corporations should be held to the highest standards for corporate responsibility.
We believe these corporations should be accountable to the communities where they are located. As the first step toward greater accountability, community members have the right to know the impact that stores like Walmart have on their economy. The Federation has sponsored and continues to support legislation that would ensure that local governments have adequate information about the economic impact of super centers on wages, benefits, public revenues, and retail competition in their city or county. We support mandatory economic impact reports prior to city or county approval of super center building permits.

The Federation also supports greater disclosure of the public costs of low benefits from employers. For years, Walmart has maintained a corporate policy of inadequate health benefits and heavy reliance on government health care programs for its employees. We support public disclosure of employers with a disproportionate share of workers relying on public programs, as well as additional fines and fees on such corporations to compensate for those publicly borne costs.

The path to true corporate responsibility demands transparency from corporations on a host of issues. The Federation supports full transparency about corporate use of tax incentives and loopholes, as well as public disclosure of corporate tax payments. We support more information for consumers and investors about the health of corporations and the safety of their products. We oppose weakening regulatory standards for corporations and those responsible for overseeing them.

The Federation supports comprehensive reform of the financial industry that will help prevent another financial crisis. We support reforms that bring transparency and accountability to shadowy capital markets and protect bank customers. We also support mechanisms to break up big banks to prevent another case of “too big to fail” and subsequent taxpayer bailout of failed financial institutions.

From the robber barons to Enron to Goldman Sachs, we have more than a century of examples to teach us that corporate malfeasance hits workers the hardest and with the most lasting impact. The Federation will continue its fight to ensure that workers, not corporate entities, are put first in California.
Rights of Immigrant Workers

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 child care 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 a comprehensive immigration reform agenda that focuses on a path to citizenship, limiting wage competition, and strengthening labor standards, especially the freedom of workers to form unions and bargain collectively. To achieve this goal, immigration reform must protect U.S. workers, reduce the exploitation of immigrant workers, and reduce employers’ incentive to hire undocumented immigrants rather than U.S. workers.

The most effective way to reduce exploitation is for all workers—immigrant and U.S.-born—to have access to the protection of labor, health and safety, and right to organize laws. Comprehensive immigration reform requires a strong, well-resourced and effective labor standards enforcement initiative that prioritizes workers’ rights and workplace protections. This approach will ensure that immigration does not depress wages and working conditions or encourage the growth of the underground economy that depends heavily on substandard wages, benefits, and working conditions.

In the absence of comprehensive immigration reform, California can enact laws to protect and improve the lives of immigrants. We must prevent the separation of families because of deportation. Access to drivers’ licenses, health care, public assistance, and other programs not only improve the lives of immigrants, but also benefits the state through increased public safety and public health.

Comprehensive Immigration Reform

The Federation supports a path to legalization for all undocumented immigrants. If immigrants are not given an opportunity to come out of the shadows and adjust their status, we will continue to have a large pool of unauthorized workers whom employers will continue to exploit to drive down wages and other standards to the detriment of all workers. We call on Congress to enact an inclusive and swift path to legalization that will raise labor standards for all workers.

We oppose expansion of the federal guest worker proposal. An expanded guest worker program would create a permanent underclass of workers with limited civil and employment rights, unable to participate fully in American democracy. For U.S. corporations, guest workers 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.

The Federation opposes proposed state-level guest worker programs that leave workers without a path to citizenship and provide false hope of protection from deportation to immigrant workers. These laws are federally pre-empted and should not be pushed through at the state level.

The long-term solution to uncontrolled immigration is to stop promoting failed globalization policies and eliminate the enormous social and economic inequalities at both national and international levels. U.S. immigration policy should consider the effects of immigration reforms on immigrants’ countries.

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of origin, especially Mexico. It is in our national interest for Mexico to be a prosperous and democratic country able to provide good jobs for its people, so that earning a living in Mexico is a viable alternative to immigration.

Much of the emigration from Mexico in recent years resulted from the disruption caused by NAFTA, which displaced millions of Mexicans from subsistence agriculture and enterprises that could not compete in a global market. We need a fair trade and globalization model that uplifts all workers, promotes the creation of free trade unions around the world, ensures the enforcement of labor rights, and guarantees core labor protections for all workers.

In the absence of comprehensive immigration reform, we support Executive Actions that provide Deferred Action for Childhood Arrivals (DACA) and Deferred Action for Parents of Americans. The DAPA program would grant deferred action status to certain undocumented immigrants who have lived in the United States since 2010 and have children who are American citizens or lawful permanent residents. Deferred action is not full legal status, but would provide a three-year, renewable work permit and exemption from deportation, providing some stability and a reprieve from fear for millions of immigrants.

**Protections for Immigrants**

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.

In 2013, Governor Brown signed legislation to provide drivers’ licenses to undocumented immigrants. Although the law that passed includes a marked license, the Federation and other unions worked to ensure that the license did not endanger or expose immigrants to discrimination or targeting by law enforcement, employers, landlords, or others. We will continue to work with the DMV to implement regulations that increase access to drivers’ licenses and protect the privacy and safety of immigrants who do apply for the licenses.

We will continue to work to ensure that undocumented immigrants are not left behind by the federal Affordable Care Act (ACA). We applaud the work by activists on Health Care for All, which won full-scope Medi-Cal benefits for undocumented children under age 19. Undocumented immigrant adults are still prohibited from enrolling in Medi-Cal, purchasing health coverage, or receiving federal subsidies for coverage in the state Health Benefit Exchange. The Federation supports a true Health Care for All system that would allow all Californians, regardless of immigration status, to enroll in publicly subsidized health care.

We reject the anti-immigrant rhetoric that seeks to divide workers against each other. We understand that when a worker is pitted against another worker, it is only the boss who wins. The war in Iraq and relentless war on terror has been accompanied by an upsurge in anti-immigrant rhetoric, scapegoating, and violence. The Federation strongly opposes such immigrant bashing.

We oppose the criminalization of undocumented workers and using local law enforcement to enforce federal immigration law. We oppose the draconian law in Arizona that allows local and state law enforcement to stop and verify the immigration status of anyone they believe is undocumented. This bill legalizes racial profiling, diverts law enforcement personnel away from protecting the public, and will further drive immigrants into the shadows.

**Immigrant Worker Organizing**

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, car wash workers, warehouse 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.

Unions have an opportunity to build relationships with immigrant communities by providing immigration-related services, especially with the potential implementation of the Deferred Action for Parents of Americans (DAPA) program. The Federation supports the full implementation of DAPA and worked to include funding in the state budget for community organizations to provide immigration-related services.

The flip side of more active immigrant organizing is the use of immigration status to intimidate workers. All workers, regardless of immigration status, have the right to form unions, file complaints against illegal and unfair treatment without fear of reprisal 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. A worker’s immigration status should never be used as a tool for discrimination, union-busting, or intimidation.

In response to retaliation against immigrant workers, the Federation sponsored a package of bills to crack down on employers who use immigration-related retaliation against workers who try to organize or report labor and health and safety violations on the job. The bills imposes stiff penalties on employers who do retaliate and gives unions a new tool to use in organizing drives with large numbers of immigrant workers. We will work to develop new tools to support organizing of immigrant workers by unions and to crack down on employers who use immigration status to exploit and abuse workers.

We applaud the AFL-CIO’s outreach to the growing numbers of workers whose fundamental rights are not guaranteed by law and who are often excluded from legal protections, such as the right to organize. The overwhelming majority of excluded workers are immigrants. In 2006, the AFL-CIO signed a historic partnership with the National Day Laborers Organizing Network (NDLON).

In 2011, the AFL-CIO expanded their partnership with worker centers by signing an agreement with the National Domestic Workers Alliance. This landmark agreement outlines a framework for the AFL-CIO and these groups to partner around organizing, and building long-term alliances. The power of the partnership between unions and worker centers was evident when President Trumka joined California domestic workers to lobby in Sacramento for the Domestic Workers’ Bill of Rights in 2012, leading to the passage of the bill in 2013. We support lifting the sunset on that bill to continue to grant rights to domestic workers. The Federation supports continued partnerships with pro-worker rights worker centers and other groups fighting for workers’ rights.

Preventing Deportation and Raids

The Federation calls for a return to a firewall between immigration and labor law enforcement that protects and ensures the rights of all workers. In 1998, a Memorandum of Understanding (MOU) between the U.S. Immigration and Naturalization Service (INS, now ICE) and the U.S. Department of Labor established a firewall between immigration and labor law enforcement. The increase in ICE raids has prevented enforcement of basic labor laws and allowed employers to systematically violate the law with no fear of reprisals.

We reject the increasing use of the national Social Security database as a tool for determining employment eligibility. This database is notoriously riddled with errors and was never intended to determine documentation or work eligibility status. The Federation calls for an end to the use of federal Social Security “no match” letters. These letters unfairly discriminate against workers of all immigration statuses and can cost workers their jobs for nothing more than typographical errors.

We supported legislation to prohibit cities and counties from requiring employers to use the E-verify program. This program allows employers to access the Social Security Administration’s database to verify a worker’s immigration status. This database was never intended for this use and is full of inaccuracies that harm workers and employers. We call for an end to the use of the federal E-verify system, which relies on the same flawed Social Security database.

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The Federation further condemns the use of the children of immigrants as pawns in immigration enforcement efforts. Enforcement activities by federal Immigration and Customs Enforcement agents near Bay Area schools rightfully enraged community, Labor, and immigration activists alike. Children have no place in the middle of immigration battles and the government should never put them there. We oppose raids on immigrant families in their homes, their schools, their churches, and their workplaces.

We oppose the aggressive enforcement policies that have resulted in mass deportations of immigrant workers. The Federation supported the Trust Act, which was signed into law in 2013. The act limits the state’s cooperation with Secure Communities, a federal program that allows the Department of Homeland Security to access fingerprints taken by local police, to screen detained individuals for immigration status and to request that law enforcement agencies hold them if they are found to be undocumented.

We support state DREAM Act legislation that allows undocumented students to apply for financial aid at California colleges and universities. This bill is an investment in immigrant students who will have increased access to higher education and productive careers and futures. All students in California deserve a shot at higher education regardless of their immigration status. We support policies that allow greater access to educational opportunities for immigrants.

The Federation has worked with both Democrats and Republicans on the issue of immigration reform and will continue this work in the future. Though comprehensive immigration reform is a federal issue, Labor will continue to lead the way in California and ensure that immigrants are granted human workers' rights and are protected to the fullest extent of state law. We will continue to work with and pressure our Congressional representatives to work for comprehensive immigration reform at the federal level.

**Enforcing Labor Law for Immigrant Workers**

The Federation opposes the Supreme Court’s 2002 decision in *Hoffman Plastic Compounds, Inc. vs. NLRB* denying back pay 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 does not pay. Ten years later, the impact of *Hoffman* has been devastating to immigrant workers. Virtually every organizing drive results in an employer’s call to ICE. So long as employers fear no consequences, these types of abuses will continue unabated.

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 language skills. 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 will continue to proudly uphold and defend the rights of immigrant workers. While the federal government endlessly debates immigration reform, California is blazing a trail to enact state protections for immigrants that recognize the enormous past and current contributions of immigrants to our economy, society, and culture.
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. We are unflinchingly devoted to the protection of civil rights and liberties, and abhor discrimination in all its forms.

The fight for economic justice cannot succeed without a simultaneous fight for racial justice. Communities of color face higher unemployment rates, lower wages, higher mortality rates and lower health outcomes, job discrimination, and more economic insecurity and, often as a consequence, much higher incarceration rates. Recent events have exposed the racism embedded in American institutions—from the criminal justice system to universities and beyond. Movements for racial justice have grown in size and prominence and are demanding fundamental changes to American society and institutions. The Federation is committed to economic and racial justice and will strive to root out racism in our own movement and in our state.

Work and Family Balance

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

Paid family leave was an important victory for California’s working families. Together with the Labor Project for Working Families, the Federation passed legislation that made California 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 or a seriously ill family member. Because the benefits are employee-funded through the State Disability Insurance Program, paid family leave does not cost businesses a dime. Nevertheless, the Federation has needed to defend the program against attempts by employer associations to weaken or repeal it and attempts to raid program funds for non-related purposes.

California has a complex and confusing system of family leave laws that discourage workers from accessing benefits they have the right to. The Federation supports efforts to simplify and harmonize leave laws.

Over 47 percent of workers get no job protection while receiving paid family leave benefits because they are not covered under the California Family Rights Act (CFRA). Therefore the Federation supports changes to CFRA to expand eligibility for job-protected leave, including reducing the 50-employee threshold and the hours and years-in-service requirements. The Federation also supports expansion of paid family leave to the full 12 weeks of leave guaranteed under CFRA. Federal employees in California should also be subject to state paid family leave policies.
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. CFRA should also provide time off from work for medical appointments and school activities.

We endorse a broad definition of what constitutes a family. We supported legislation in 2013 that expanded the family leave program to include time off to care for a grandparent, grandchild, in-law, or sibling. In 2015, we supported additional legislation to further expand the definition of family to include the children of domestic partners. Our family leave laws should reflect the diversity of California’s families.

Family-friendly policies are not luxuries. They are basic rights that allow women to participate equally in the workforce, and protect the growing number of men with caregiving responsibilities. Family-friendly policies make employment more consistent with our obligations to our loved ones, yet many employer associations continue their unwavering opposition to these policies. We must remain diligent in protecting our rights to balance our work and family lives.

**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, working women still face discrimination, lower pay, and lost opportunities. Women are the majority of public-sector employees at the state and local levels and anti-union attacks on public employees disproportionately hit women.

Across the board, women earn less than men. The jobs in which women dominate 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. The pay gap between women and 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. Low-wage workers often suffer the worst sexual abuse on the job and have the fewest resources to fight it. Female janitors who work alone at night are especially vulnerable to sexual assault and harassment on the job. Janitorial work is often subcontracted and employs large numbers of immigrants, leaving women easily intimidated by supervisors who take advantage of them. We support efforts to provide female janitors, and all women, resources to deal with sexual assault at work and to strengthen laws to protect women workers.

We support women’s access to the full range of reproductive and family planning services. We oppose any attempt to directly or indirectly limit access to those services or to interfere with the privacy of women’s health decisions.

The Federation supports improved opportunities for women in employment and promotion. 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 percent more than their non-union counterparts. Women of color gain even more by joining a union. Union membership also helps reduce the wage gap: union women earn 83 percent of what union men earn. The Federation continues to work toward the day when union women earn as much as their brothers.
Unions today realize that women are equal partners with men in our organizing efforts. We urge all affiliates to work hard to place women in non-traditional jobs, particularly the higher-paying occupations where they are currently underrepresented. We specifically applaud the State Building and Construction Trades Council’s Women in the Trades Conference in this regard. Aggressive outreach for apprenticeship programs and affirmative action plans can both accomplish this goal.

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

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

Civil Rights and Liberties

The Federation stands with all groups who experience persecution, and we call for an end to discrimination of all types. We support full economic justice, social and political rights 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 neither safe nor free.

Civil rights should also be protected at the workplace. New technology is giving employers unprecedented, and often unwarranted, access to information about their prospective and current employees. We believe that employees should be able to expect privacy in the workplace.

We oppose the use of new technology to monitor, spy on, or otherwise invade the privacy of workers. We oppose imbedded radio frequency ID tags, or any other device given to workers that tracks their movements whether to prevent union organizing or activity or just to control their movements. We also oppose employers’ use of credit report information in employment or advancement decisions. We believe that routine drug testing, though common, is invasive, unfair, and often inaccurate. Genetic testing of potential or current employees raises many concerns and should be outlawed immediately. Employers should not be able to read employees’ email, monitor their Internet usage, or log into their social media sites. 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 forced arbitration agreements. The Federation sponsored legislation in 2015 to prohibit forced arbitration agreements as a condition of employment for workers. Though the Governor vetoed that bill, the Federation will continue to support efforts to ensure that employees are not coerced into waiving their right to pursue administrative remedies or jury trials.

We believe workers should be free from workplace harassment and discrimination. 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. In 2015, we supported legislation to strengthen California’s Equal Pay Law ensuring that women workers receive equal pay for substantially similar work as their male co-workers.

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

We support ending discrimination in the hiring process. In 2012, the Federation passed legislation that was signed into law to ban the use of credit checks in the hiring process. We supported successful legislation to “ban the box” that prohibited state and local governments from requiring job applicants to check a box indicating criminal convictions in the initial application process for all workers. We support legislation to end discrimination against the currently unemployed in the hiring process. Employer notices and policies that explicitly discourage the unemployed from applying are discriminatory and only hurt our economy. We oppose these and other hiring discrimination policies.

We support reforming California’s criminal justice system to reduce incarceration. The Federation supported Proposition 47 in 2014 that reduced the sentence for non-violent felonies to misdemeanors. This initiative allowed non-violent offenders to reduce their sentences and to no longer have a felony on their record. We support better use of criminal justice resources to decrease recidivism and rebuild communities with real opportunities.

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.

**Racial Justice**

California is one of the most diverse states in the nation. Yet the state, and nation’s, legacy of racism and racial injustice has been and continues to be a fundamental obstacle to workers’ efforts to stand together to build better lives for all of us. Racism has always been a key tactic of employers seeking to divide workers. And racism in our own movement has divided us as well, weakening our collective strength. At the same time the Labor movement has a proud history of standing for racial and economic justice.

Today, in the face of dramatically increasing economic inequality, decreasing union density, and growing instability for the majority of Americans, the need for all workers to strengthen common interests in achieving economic justice is clear. At the same time our different experiences organized around race, gender identity, ethnicity, disability, and sexual orientation often challenge and complicate this shared experience. If we are to succeed as a movement, the full range of working peoples’ voices must be heard in the internal processes of our movement. To be able to stand together we have to understand where all of us are coming from.

We commend movements like #BlackLivesMatter, the DREAMers, and many others that have made racism a national issue. The Federation will stand with them because their fight is our fight. The demand for racial justice cannot be divorced from the fight for economic justice.

We support the work of the national AFL-CIO and state affiliates to facilitate conversations with local Labor leaders around racial and economic disparities and institutional biases, and identify ways to become more inclusive and challenge institutionalized racism. The Federation calls on affiliates to participate in
these national efforts and to start local conversations. The Labor movement must increase the participation and leadership of people of color at all levels of union activity and office, especially elected officers. We applaud unions that have actively sought to diversify historically non-diverse trades through training and apprenticeship programs.

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.

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 across all social, ethnic, gender, and age lines. We support legislation for gender and racial pay equity.

We oppose racial profiling by law enforcement. It is neither effective, nor constitutional, and promotes unacceptable racial stereotyping and perpetuates institutional racism in society at large.

**Lesbian, Gay, Bisexual, and Transgender Community**

Lesbian, gay, 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 solely on their sexual orientation or gender identity. There is no place in this country for prejudice against individuals because of sexual orientation.

We were proud to work for the passage of the Domestic Partner legislation in California, which extended more rights for domestic partners. We will continue to oppose amendments to 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 upon every Californian.

President Obama’s declaration, in May 2012, that he supports marriage equality for the LGBT community is an extremely significant step in the fight for full equality. LGBT working people face numerous inequities in the workplace and in society as they struggle to care for their families. Civil unions do not guarantee the 1,138 rights, benefits, and responsibilities that are accorded to heterosexual couples when they marry. This prevents gay and lesbian couples from being eligible for survivor Social Security benefits. The Federation will work together with the AFL-CIO to eliminate the inequities faced by LGBT couples when it comes to marriage equality.

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 the economy worsens and more seniors are forced out of retirement and back into the workforce, they are increasingly facing discrimination in the workplace. Older workers who lose their jobs are often shut out of the tight job market and forced to collect Social Security early. The Federation recognizes the contributions of workers of every age, and opposes age discrimination in all employment decisions.

As workers shift from one job to another, and corporate cost-cutting whittles employee benefits to the minimum, retiree health benefits and pensions are in danger of extinction, all while the rising cost of health care and housing has only made them more vital.

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 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.

The Federation opposes the weakening of Social Security by the reduction of benefits. Social Security is America's most important family-protection program. It spans class, race, gender, income, and generations. We oppose the proposal for a chained Consumer Price Index (CPI) that essentially would reduce benefits.

Republicans have also targeted Medicare for restructuring. Republicans now want to increase the eligibility age for Medicare to 67. This proposal would force seniors to wait for coverage, and would ruin union funds that provide retiree benefits. CalPERS estimated that if the Medicare eligibility age were raised to age 67, their costs for retiree benefits would increase by 296 percent. Medicare provides health care much more efficiently than private sector health plans, mainly due to the power it has to control payments made to providers and it is essential to protect the current program.

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.

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 California Alliance for Retired Americans (CARA). CARA has quickly become a leader in the fight for senior rights in California, including the fight to expand and improve Social Security. CARA led the effort to defeat the chained CPI proposal by forming a circle of chains around federal buildings in California, an action that was adopted by the national Alliance of Retired Americans. We will continue to support their efforts and encourage all of our affiliates and their retirees to join and support CARA.

All too often, when union members retire, they lose all connection with their unions. This harms both the union, which loses a valuable asset and resource, as well as the member, who loses touch with the best source of protection for his or her continued economic well-being. Union density is higher among workers 55 and over than among any other age group in California. In the next decade, hundreds of thousands of our members will retire, and we should do everything we can to keep them involved in the Labor movement.

Youth

Today's young workers are part of the largest generation to enter the workforce since the baby boomers. They also suffer the nation's highest unemployment—about twice the national average—and the fewest job opportunities in today's economy. The tight job market shuts young people out of part-time jobs to support themselves through school and from their first jobs out of school. Budget cuts, rising fees, and declining financial aid at colleges and universities force students into debt in order to get through school, if they can attend at all. The rise of unpaid internships forces students to work for free without basic workplace protections in order to have access to the job market.

Without prospects for jobs or education, many young people end up in the criminal justice system. Our prison-industrial complex is overflowing with young offenders. We oppose laws like Proposition 21 that imposed harsh sentences on juveniles convicted of crimes, increased the range of circumstances under which juveniles are treated as adults, and established 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.

The Federation supports the formation of young worker groups in local unions, Central Labor Councils and other Labor bodies. We commend the AFL-CIO for forming a Young Worker Advisory Council at the national level to help the Labor movement address the issues of young workers and young union members across the country.
**People with Disabilities**

The Federation supports the federal Americans with Disabilities Act (ADA). We are 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 employers' ability to raise job-related issues when interviewing prospective employees regarding possible disabilities. We will work to preserve California laws that are stronger than federal law at protecting people with disabilities.

Recent budget actions and proposals currently before the Legislature have targeted safety net programs, the Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program, and the In-Home Supportive Services (IHSS) program that Californians with disabilities rely on. The Legislature made significant cuts to both programs in 2009. Governor Brown has proposed even deeper reductions to these programs. The Federation opposes more budget cuts to vital services for people with disabilities.

**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 consumers' best interests. Consumers are workers too, and unions should fight for their protection whether they are making, buying, selling, or using products.

We support consumer protection advocates in their fight for privacy protection in California. We supported the California Financial Information Privacy Act in 2003, 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.” We applaud recent federal action to prevent genetic discrimination in health insurance, and we call for further action at the state and federal level to prevent unscrupulous insurer behavior.

We oppose deregulation 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. As the spate of recent recalls and consumer safety scares have proven, 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 Congressional moves to wipe out state food-safety laws, including California's landmark Proposition 65.

We strongly support and encourage efforts to enforce anti-trust measures at all levels of government. While competition alone cannot make markets more functional for consumers, it is a necessary component to a healthy marketplace.

The Federation opposes misuse of consumer credit information, including the practice of universal default. This practice, common among credit card companies and other lenders, allows corporations to unilaterally change the terms of a contract if a consumer pays any bill late, not just the bill in question with the specific company. We call for immediate action to put an end to this unfair practice.

We support federal and state efforts to reform and regulate credit card companies. As employers and state and federal agencies increasingly eliminate paper checks and move to direct deposit and electronic pay cards, we support strong protections for consumers. Banks should not profit off workers' wages or benefits, and we support protections against fees for use of electronic pay cards. We also support consumer protections against bank fees including those on debit card transactions.
The Federation supports reform of the predatory payday loan industry. Payday loans prey on working people who use their paychecks to secure small, short-term loans, often to buy basic necessities, pay rent, or pay bills. Lenders charge exorbitant fees and interest rates of more than 400 percent, making money off working people who can least afford it. This creates a debt trap in which borrowers take out loan after loan because they can never afford to repay. We support legislation to rein in the ability of payday lenders to make money off working people by capping the fees at 36 percent.

We support a consumer's right to sue businesses that have acted illegally. We opposed Proposition 64 on the November 2004 ballot. Proposition 64 has made it more difficult for consumer groups, environmental organizations, and Labor unions to file cases under the Unfair Competition Law.

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 re-regulation 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. We oppose deregulation, pushed by companies like AT&T, of landline telephone service that force customers to subscribe to services that may not be affordable or reliable, and that eliminates good union jobs.

The Federation also supports efforts to:

- **Abolish false and misleading product advertising:** Food labels should show ingredients, nutritional values, expiration dates, country of origin, and item pricing. We support efforts to label genetically modified organisms in food and educate the public about the risks. We support policies to prohibit deceptive marketing of health coverage as the Affordable Care Act is implemented.

- **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. We support an open Internet and oppose attempts to regulate content on the Internet through bandwidth controls. We support increasing Internet connection speeds to a minimum of 50 megabits per second. We oppose the consolidation of media corporations and billionaires buying media outlets to use them as a soapbox for their own political views.

- **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 settlements and the business continues selling the unsafe product while the body count mounts. We support remedies and stiff penalties to correct past decisions and to create a deterrent to selling dangerous products.

- **Encourage the purchase of union-made domestic goods and require and enforce labeling of goods with their places of origin:** We oppose the weakening of the criteria for “Made in USA” labeling. We oppose efforts to undermine existing Made in California labeling standards that mislead consumers and weaken the incentive to manufacture goods in the state. We support efforts to increase country of origin labeling requirements for foodstuffs and other products.

We support strong protections for consumers in every aspect of the economy to balance the power of corporations blinded by profits to the damage that they cause people, the planet, and workers. Organized Labor is one of the few institutions that can fight back and win against organized corporations and we will use that power to protect workers, our families, and our communities.