

## Labor Leaders Review Sacramento Politics

By Doug Perry

Organized Labor

California Labor Leaders gathered in Sacramento earlier this month to take a look at the candidates that will be running in the June primary and to review upcoming labor related legislation. The occasion was the annual Joint Legislative Conference held in Sacramento on May 1st and 2nd, and sponsored by the State Building Trades Council and the California Labor Federation.

Labor meets with Legislators at the State Capital on May 2nd. L-R: William Nack, Business Manager San Mateo Building Trades Council; Shelley Kessler, Executive Secretary-Treasurer San Mateo Central Labor Council; Tim Paulson, Executive Director San Francisco Labor Council; Michael Theriault, Secretary-Treasurer San Francisco Building Trades Council

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The conference was hosted by California Labor Federation officers Art Pulaski, and Connie Leyva; and Bob Balgenorth President of the State Building Trades Council. Political guests for the Monday morning session included Don Perata (D), Senate President Pro Tem and Senator Richard Alarcon (D), the chair of the Labor and Industrial Relations Committee. Democratic Assemblyman Paul Koretz, the Chair of the Labor and Employment Committee also gave delegates an excellent review of current labor legislation.

Many of the delegates broke away early on Monday to participate in the march for immigrant rights in downtown Sacramento, that was part of a nationwide protest. An estimated 35,000 people had gathered in front of the State Capital by one o'clock that afternoon.

## Conference Marked by Immigrant Demonstrations

The largest demonstration in California was held in Los Angeles, where an estimated 250,000 Hispanics and others marched in the morning and another 400,000 gathered around MacArthur Park in the early evening. Protesters directed their anger at the Sensenbrenner bill recently passed by the House of Representatives that would make it a felony to enter the U.S. without documentation and that would force the repatriation of illegals.

The latest proposal in the Senate would also increase penalties against employers who do not verify that new employees are citizens. Although the 1986 bill had enacted employer sanctions against employers who hired illegals, the law was not enforced. The new employer sanctions would work in tandem with the annual guest worker program and would use a new database being developed, which lists undocumented workers. The proposed "do not hire" list would be accessible by computer.

## Joint Legislative Conference Speakers

The delegates to the Joint legislative conference as well as our political guests expressed strong support for the immigrant demonstrations and many joined the march on the capital after the short morning session. Many saw the outpouring of Hispanics as an issue of worker rights. In her opening remarks Connie Leyva, President of the California Labor Council said that immigrants, "are one of the most exploited segments of the workforce." She urged the delegates to reject the anti-immigrant proposals in HR47 in the House that would build a wall between the U.S. and Mexico. She commented that the organizing of immigrant workers has provided labor with some of their biggest membership gains. "California unions have a history of standing with immigrants," she said.

Our first political guest of the Conference was State Senator Richard Alarcon. He received a warm welcome for his work over the years as the Chair of the Labor and Industrial Relations Committee. Mr. Alarcon encouraged labor to reach out to the undocumented workers into their unions. "They didn't come here expecting to become CEO's. They came here to get a good job and to become members of the working class. We need to bring labor and the immigrants together to realize the American Dream of a large and healthy middle class."

Senator Alarcon saved his harshest social criticism for Governor Schwarzenegger. "This Governor has done nothing for the working people in California, while his predecessor, Democratic Governor Gray Davis signed a total of 277 pieces of pro labor legislation into law. In fact one of Arnold's first official acts as Governor was to reverse SB2, the Burton bill that would have set up employer provided health care for nearly all workers. He also attempted to ignore the Grey Davis legislation that reduced patient- nurse staffing ratios, and to degrade the CalPERS pension plan for state employees. In the special election last November he would have silenced the voice of union members by cutting off their ability to raise funds and elect pro-labor candidates. Our unions paid dearly to defeat Prop 75. Labor must stand up and elect a new Governor in November," Alarcon said.

## President of the State Building Trades

The next speaker, Bob Balgenorth, gave a barnburner of a speech reviewing the abysmal record of the Schwarzenegger administration. Bob pointed out that in Arnold's first year in office the governor had initiated several direct attacks on union members and had a bad attitude about unions. He quoted the Governor when he said that, "the union bosses that run California."

Balgenorth also informed us that Arnold had revamped the workers comp program with negative effects for workers. The result, insurance company profits have been increased, rates have declined somewhat for contractors, but the benefits for workers injured on the job have been substantially reduced. Bob also talked about the Governor's phony special election last year that proposed to, "slash staffing ratios for nurses, slash pension plans for public employees, and to slash death benefits for firefighters. Balgenorth's remarks may be accessed at [www.sbctc.org](http://www.sbctc.org) under hot issues.

### Senate President Pro Tem

The delegates were pleased to have Don Perata, Senate Pro Tem as a guest at the Monday morning session. Mr. Perata has served in the legislature for many years representing the East Bay and Alameda County and is also the Chair of the Senate Rules Committee. While his support for the new workers comp bill did not set well with many of us, we were happy to hear that he supported the new proposal to increase the minimum wage from \$6.75 to \$7.75 over two years, and to index it to the California Consumer Price Index. Similar legislation was vetoed by Governor Schwarzenegger in both 2004 and 2005. Arnold has recently announced that he would support the increase, but that he opposed indexing.

Perata also came out strong for infrastructure investments. He said that transportation would require billions in new funding, and that we need to make sure that workers are paid a prevailing wage when they do the work. "We can't rebuild California on the backs of \$7 an hour workers," Perata said.

"To do our job in the legislature we need to obtain the public's approval for the \$37 billion infrastructure bond issue that will be on the November ballot; and we need to hire a new Governor. We need a governor who is respectful of working people-the glue that holds California together," Perata concluded.

### Chair of the Labor Committee

Our next political guest was Assemblyman Paul Koretz, the Chair of the Labor and Employment Committee. He has played a strategic role for Labor as the head of that Committee and unfortunately is being termed out in November. He listed some of the important bills that had been passed in his eight years in Sacramento including higher unemployment insurance and workers comp payments, the passage of the family leave act the strengthening of the Cal-OSHA regulations, the establishment of a cabinet level labor agency, SB2 the John Burton bill providing for employer provided health insurance, and many others. He talked about the more recent flow of anti-labor legislation being proposed by the Republican legislators since Schwarzenegger became governor in 2003. "I'm proud to say that they all died in our Committee."

The labor delegates were surprised by Mr. Koretz, who was perceived as a an amiable and low- key legislator, when he announced that he had introduced a measure in the State Assembly to initiate impeachment proceedings against George Bush and Vice President Dick Cheney. "We have to put these people on the defensive and let them know that they cannot continue to break the laws of our constitution and not be held accountable," he said. The Labor delegates gave Mr. Koretz a standing ovation.

At this point the plenary session was adjourned and reconvened as a committee of the whole to review current legislation in Sacramento affecting labor. High on everyone's list was passage of a new bill to raise the minimum wage.

A long-standing abuse has been the misclassification of employees as independent contractors to avoid payment of both payroll taxes and health and pension benefits. New legislation by Assemblyman Alberto Torrico (AB2186) would require employers to file quarterly reports with the EDD listing all independent contractors. Penalties would be increased for deliberate misclassification.

As most of you know the workers comp system was "fixed" a few years back and the result has been lower payments for employers and high profits for insurance companies. However the benefits for injured workers have been slashed, most employees must now see a company doctor and care, especially for the permanently disabled is being denied.

With the new workers comp system, workers must predesignate a physician before they become ill to be able to use their own doctor. Even this protection is set to expire. A bill by Pedro Nava (AB 2068) would continue to allow workers to predesignate.

Also benefits for severely injured workers have been cut by roughly 50%. A bill by Don Perata (SB1730) would offer major relief for the permanently disabled.

Injured workers are routinely facing delays and outright denials of medical treatment. A third bill by Richard Alarcon (SB1781) would guarantee that workers receive timely and appropriate medical care.

We are all aware of the grief caused by the Governors special election. Well, turnabout is fair play. State Senator Joe Dunn is carrying a bill (SB 1354) to assure the same kind of political accountability from our corporations. By the way corporations currently outspend unions by a ratio of 24 to 1. The legislation would require annual reports from corporations documenting all political contributions and expenditures. The reports would be provided to each of their shareholders who would then be given the option of obtaining refunds on their pro-rata share. According to the California Labor Federation this bill, "would hold publicly owned corporations to the same standards that unions currently follow."

Our own Assemblyman Mark Leno has introduced a desperately needed piece of campaign finance reform that would apply to the initiative process in California. Leno's bill (AB2946) addresses the problem of wealthy reactionaries

buying signatures to place initiatives on the ballot. That's how we got most of Arnold's proposals last year such as Prop 75 and Prop 226 before that. Labor's summary of the legislation, mentions that the bill would implement many of the reforms already in place in Oregon. Signature gatherers would be paid by the hour rather than by the signature, which currently encourages bounty hunting. Also the petitions would need to list the top three contributors to the initiative. Third, the initiative proponents would become legally liable for fraud perpetrated by signature gatherers.

The initiative process was originally introduced to empower the electorate and to give voters a pathway around corrupt legislators. The initiative still provides a legitimate means to empower grass roots activists.

## Reflections on the Conference

After listening to the speakers in the plenary session and workshops and visiting with our legislative leaders in the State capital on Tuesday it became apparent that the outcome of the June primaries and of the November elections may hinge on the explosive issues of immigrant rights and national security. More than 1.5 million immigrants have taken to the streets in recent demonstrations and the House and Senate will take up much of the month of May in talking about this issue. The immigrant issue overlaps with that of national security because of the question of securing the border between Mexico and the U.S., and the general question of tracking illegal immigrants and or terrorists.

The critical factor in the California elections will be the public's perception of the performance of Arnold Schwarzenegger. He will be judged on the shape of the upcoming state budget negotiations with the legislature. Recent jumps in economic activity in California have resulted in large increases in both sales and income tax revenue for the state making Arnold's job easier. Apparently tax revenue is currently running \$5 billion higher than projected in the Governor's budget in January. The Governor has already announced that he will use part of the additional taxes to fund education and to retire bonded debt. Incumbents do well in periods of economic prosperity.

The Governor's race will also be impacted by the disposition of the current bond issue of \$37 billion that was recently crafted by the legislature and the Governor's office. The bond issue will be on the November ballot. The general obligation bonds will be used for transportation, school facilities, levee repairs and affordable housing. An estimated \$19.9 billion would be used for highway improvements, including \$4.5 billion for mass transit and \$400 million for inter-city rail. Schools and colleges would get \$10.4 billion. Another \$4 billion would be used for flood control and levee repairs.

The sticky issue for Labor and the Democrats, and their endorsement of Phil Angelides for Governor is that the two top legislative leaders in Sacramento have announced that they will campaign with Arnold to pass the infrastructure bond issue. Arnold had proposed previous infrastructure bond financing over a ten- year period in his January budget of \$222 billion. In the public's mind this is his issue. Statewide polls indicate strong support of bond financing for infrastructure spending.

In the second week in May both Democratic State Senate Pro Tem Don Perata of Oakland and Assembly Speaker Fabian Nunez of Los Angeles traveled with the Governor around the state to sell their \$37 billion bond deal to the voting public. All three appeared with the Mayor of Los Angeles, Antonio Villagarosa. Governor Schwarzenegger is certain to gain traction from this issue in his drive for reelection. Labor needs to remind the public of the Governor's mendacity, and the waste of public money that was spent on the special election last November, and of Arnold's

anti-labor record.