



CALIFORNIA LABOR FEDERATION  
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## 2011 Legislative Agenda

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*The past several years have been devastating* to California's working families. First came the housing crisis, caused by banking deregulation and widespread abusive lending practices. Families were steered into high-cost, high-risk mortgages by brokers and lenders who got kickbacks for pushing these subprime loans. While millions lost their homes, almost all California homeowners watched their home values plummet and their economic security dissolve.

Then the jobs crisis hit. The Wall Street meltdown triggered a deep national recession and brought us the worst economic period since the Great Depression. California's unemployment rate steadily climbed to one of the highest in the nation. Industries like construction were particularly hard hit, leaving skilled workers from every trade out of work. For laid-off workers, there were simply no jobs and little hope.

As our economy stalled, workers suffered most. Those who kept jobs saw wage cuts and hiring freezes, meaning more work for less money and little job security. Workers desperate to keep their jobs were more reluctant to report abuses, allowing the underground economy to swell. Public employees have faced takeaways ranging from pay cuts and furloughs to Vallejo's use of bankruptcy to break union contracts. While big banks got taxpayer bailouts, all workers got was the tab.

2011 marks a new beginning as we restore California with jobs, justice, and prosperity. This year, we are determined to seize the opportunity to get our members, and all Californians, back to work. Our top priority is creating good jobs. We will crack down on the underground economy to protect the most vulnerable and level the playing field for responsible employers. We will expand and protect collective bargaining. We will hold the big banks and Wall Street accountable and push for reasonable regulations to protect consumers and restore fairness to our economy.

Here is our 2011 Legislative Agenda:

### **FIGHTING FOR GOOD JOBS**

- **Revolving loan fund for manufacturing (AB 894 - V. Pérez).** We can attract good manufacturing jobs without giving away more in corporate tax breaks or eroding worker protections. This bill will seed new job creation by establishing a revolving loan fund that offers gap financing to manufacturing firms that create and retain jobs in California. Preference will be given to high-road jobs that pay living wages, offer health insurance and retirement security, and are created in partnership between labor and management.

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Restoring CALIFORNIA  
JOBS | JUSTICE | PROSPERITY

- **Build high-speed rail cars in CA (AB 16 - Perea).** California voters approved bond financing to build a high-speed rail line from Sacramento to San Diego and have received billions in matching federal funds. This project will create hundreds of thousands of good construction and operations jobs for California workers. But that's just the start. We have a once-in-a-lifetime opportunity to bring good jobs to California by manufacturing our high-speed rail train cars in state. This bill will require the High-Speed Rail Authority to do everything possible to purchase high-speed rail cars manufactured in California.
- **Supercenter Economic Impact Study (SB 469 - Vargas).** When a supercenter comes to town, every part of the local economy is affected. If small businesses and other local retailers lose business, they are forced to lay off workers and ultimately close their doors. Across the state, we have witnessed small businesses cannibalized by supercenters. Communities should know the economic impact of a supercenter on their local economies before these projects are approved. This bill will require a locality to undertake an economic impact report before a supercenter is approved.
- **Job creation standards on tax credits (SB 364 - Yee).** California gives corporations billions of dollars in tax breaks annually. However, the state does not track if corporations create jobs or economic activity when they claim a tax break. When taxpayers subsidize business through tax breaks, they deserve a return on their investment. If a business eliminates jobs, taxpayers should get their money back to redirect to other programs. This bill will impose a penalty on businesses who take tax breaks for job creation, but do not create any jobs – essentially a taxpayer money-back guarantee.
- **Worker retention for city contracts (AB 508 - Swanson).** With one of the highest unemployment rates in the nation, we should be doing everything we can to keep people in their jobs. Yet when garbage and recycling contracts turn over, too often longtime employees are pushed out. This bill will extend the bid preference, currently given to transit operators who keep existing employees for at least 90 days, to garbage and recycling companies that meet the same requirement.

## CRACKDOWN ON THE UNDERGROUND ECONOMY

- **Crackdown on misclassification of independent contractors (SB 459 - Corbett).** The misclassification of workers as independent contractors is one of the most serious threats to workers' rights and a major contributor to the underground economy. Workers lose out on wage and hour protection, unemployment insurance, and workers' compensation benefits, and good employers cannot compete. This bill will help us crackdown on misclassification of employees as independent contractors.
- **Protect low-wage workers (AB 469 - Swanson).** Wage theft is on the rise and state enforcement efforts are inadequate. Modeled on the national movement to stop wage theft, this bill improves disclosure and strengthens protections for low-wage workers, and creates a more efficient enforcement structure.

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## MAXIMIZE JOB TRAINING FUNDS

- **Increase standards for training providers receiving federal workforce funds (AB 1115 - Lara).** Federal law requires that training providers who receive local Workforce Investment Act (WIA) funds must be on the Eligible Training Provider List (ETPL). Because each local Workforce Investment Board (WIB) establishes its own ETPL list, standards are inconsistent and largely inadequate. This bill establishes a statewide ETPL with strict standards to ensure that public training dollars are well-invested and focused on high-quality training programs.
- **Set minimum requirement for investing federal workforce funding on training and direct worker services (SB 776 - DeSaulnier).** On average, local WIBs in California invest just 20% of their federal funds on training services. A third of the 49 WIBs spend less than 11% on training, and many invest nothing. In effect, we have a job training system that does not provide training. This money, instead, goes to program overhead and less effective services provided through costly one-stop centers. This bill requires that local WIBs invest at least 50% of their local training dollars on quality training programs.
- **Make local WIBs accountable to state WIB and state plan (SB 698 - Lieu).** Currently, little coordination exists between the state WIB and the 49 local WIBs. Local WIBs must be certified every two years, but such certification leaves much to be desired. This bill will create a “high performance board” standard, allowing the state WIB to hold local WIBs accountable to the state strategic plan, state law, and higher standards.

## FIGHT THE WALL STREET BANKS

- **No credit checks unless substantially related to job (AB 22 - Mendoza).** In this economic climate, many working families have had their credit destroyed by foreclosures or prolonged unemployment. But a credit record says nothing about work history, work ethic, or overall competence. Today, about half of all employers say they use credit reports to evaluate candidates for a job. This bill will stop employers from using credit checks to deny employment unless one’s credit record is substantially related to the job.
- **Authorize and regulate payroll paycards (AB 51 - Yamada).** Employers are increasing the use of electronic paycards to pay wages, but not all workers have immediate access to their wages without paying fees. This bill will ensure paycards are only used when there are adequate protections against excessive fees.
- **Stop preventable foreclosures (SB 729 - Leno).** Foreclosures have devastated California families and cost a total of \$67 billion on lost home values. The foreclosure freefall has deprived state and local government of much-needed revenue and destroyed our economy. This bill will promote loan modification and prevent banks from foreclosing on families who are in the modification process.

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**PROTECT WORKERS**

- **Paid sick days (AB 400 - Ma).** When workers have no paid sick days, many have no option but to go to work sick. This poses a threat to public health, especially since those who lack paid sick days are often providing daycare for children, caring for the elderly, and working in the service sector. This bill will allow all workers to earn paid sick days.
- **Protection from municipal bankruptcy (AB 506 - Wieckowski).** When the City of Vallejo declared bankruptcy in 2008, a terrible precedent was set that a city can use bankruptcy court to completely eliminate bargaining agreements. The city continued to pay all creditors – except their workers. We cannot allow the municipal bankruptcy process to be abused to get out of obligations made to workers and retirees. This bill will create a more fair process for municipal bankruptcy to protect our contracts and our members.