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# Recent Developments in California Labor Relations

DANIEL J.B. MITCHELL

CALIFORNIA'S SLUGGISH ECONOMY AND THE DIFFICULT BUDGET challenges faced by state and local governments affected labor relations in the public and private sectors alike during 2002–03.<sup>1</sup> Roughly half of California's union-represented workers are employed in the public sector, and the state's fiscal situation in many cases threatened their jobs and salaries. Californians were also concerned with gaps in the health insurance system; although much private insurance coverage is provided through employers, many state residents still lack health insurance, especially those with low wages and incomes. Health services were also important in another area: union organizing efforts, especially among nurses. Another focus of concern in the state was the tourism and travel industry, which faced not only the 2001 terrorist attacks but also a downturn following the war in Iraq and the emergence of severe acute respiratory syndrome (SARS) in Asia.

## CALIFORNIA UNION CONTRACTS

The U.S. Bureau of Labor Statistics (BLS) collects “major” collective bargaining contracts—those covering 1,000 or more workers—and summarizes them on the Internet.<sup>2</sup>

1. Except where indicated, information on developments cited below comes from newspapers, trade journals, and Internet sources, and generally covers the period through late July 2003, depending on information availability. The author thanks Chandra Keller for assistance in preparing this chapter.
2. A listing of California contracts from these files was published in the previous edition of the *State of California Labor*. The tabulations on which this section is based are based on information from these files that was updated as of March 2003. The full set of national files from which the California contracts were drawn can be found at <http://www.bls.gov/cba/cbaindex.htm>. The BLS contract files are not necessarily up to date and may be incomplete. Nonetheless, they provide valuable information.

The BLS files indicate the state to which a contract applies. In some cases more than one state is listed or a contract is identified as national. For purposes of this chapter, only contracts that are reported as exclusively in California are tabulated, with two exceptions: those in the

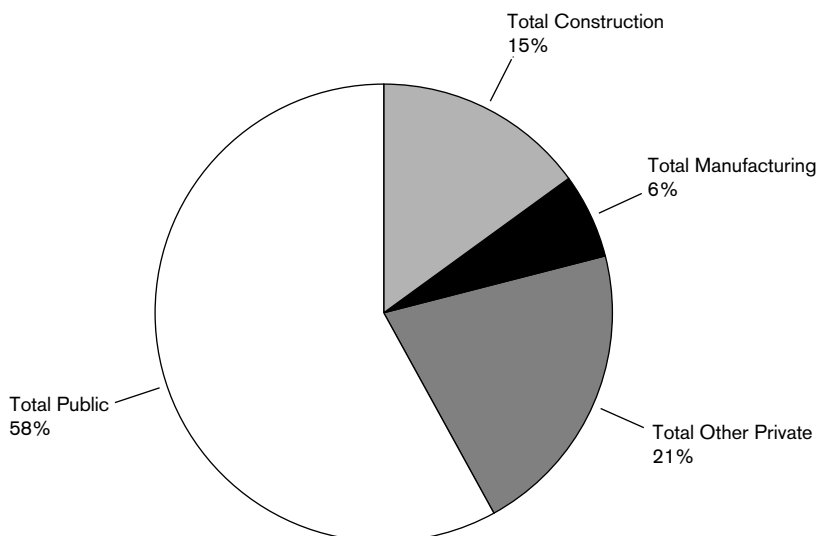


FIGURE 7.1. Major California Contracts, by Industry, as of March 2003

SOURCE: U.S. Bureau of Labor Statistics.

NOTE: Includes longshore and entertainment industries.

California contracts in the BLS files can be sorted by industry. As Figure 7.1 illustrates, 58% of the contracts are in the public sector, and, within the private sector, a major share of contracts is in the construction industry. Figure 7.2 shows the distribution of workers covered. Note that close to half of unionized workers under major contracts in this data set are in the public sector.

The importance of the public sector and the construction industry suggests that major unions in the state should be linked to those sectors. The BLS data confirm that supposition, as Figure 7.3 shows. Included are unions with important public-sector representation, such as the Service Employees International Union (SEIU, which has both public and private contracts), the National Education Association (NEA), the American Federation of Teachers (AFT), and the American Federation of State, County, and Municipal Employees (AFSCME); 34% of the workers covered by major contracts are members of these four unions. Construction unions are also prominent, as is the Screen Actors Guild (SAG). Retailing is represented by the United Food and Commercial Workers (UCFW), which has major contracts in the supermarket industry (for details, see Milkman and Rooks, this volume).

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entertainment and West Coast longshore industries. Because these sectors are of evident importance to the state, the contracts are included even though they cover some non-California workers. These exceptions have little effect on the contract distribution, but they do affect worker distribution. In particular, worker coverage in the private sector, and at the Screen Actors Guild, is overstated. Analysis of California union membership data is consistent with these findings.

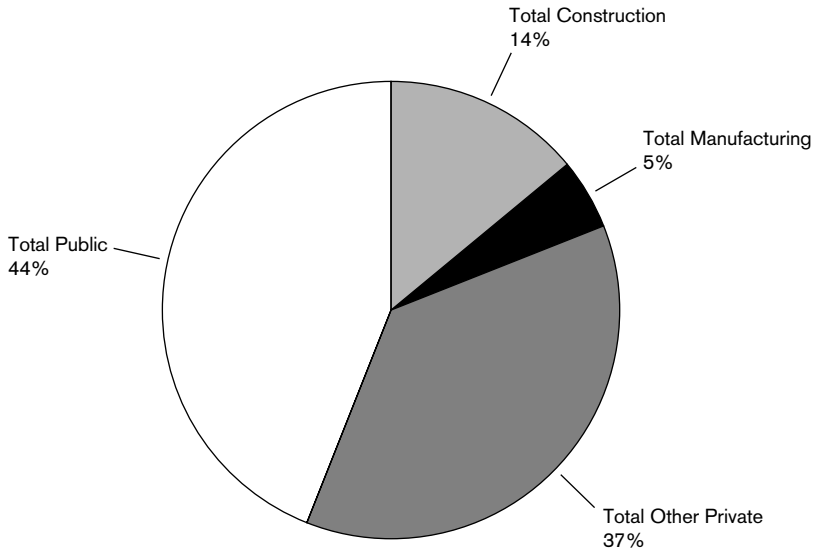


FIGURE 7.2. Workers under Major California Contracts, by Industry, as of March 2003

SOURCE: U.S. Bureau of Labor Statistics.

NOTE: Includes longshore and entertainment industries.

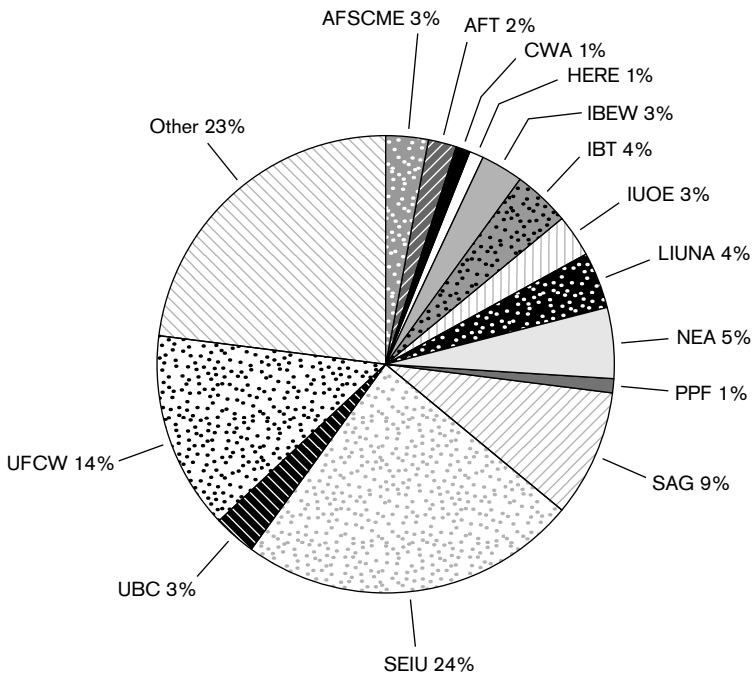


FIGURE 7.3. Workers under Major California Contracts, by Union, as of March 2003

SOURCE: U.S. Bureau of Labor Statistics.

NOTE: Includes longshore and entertainment industries.

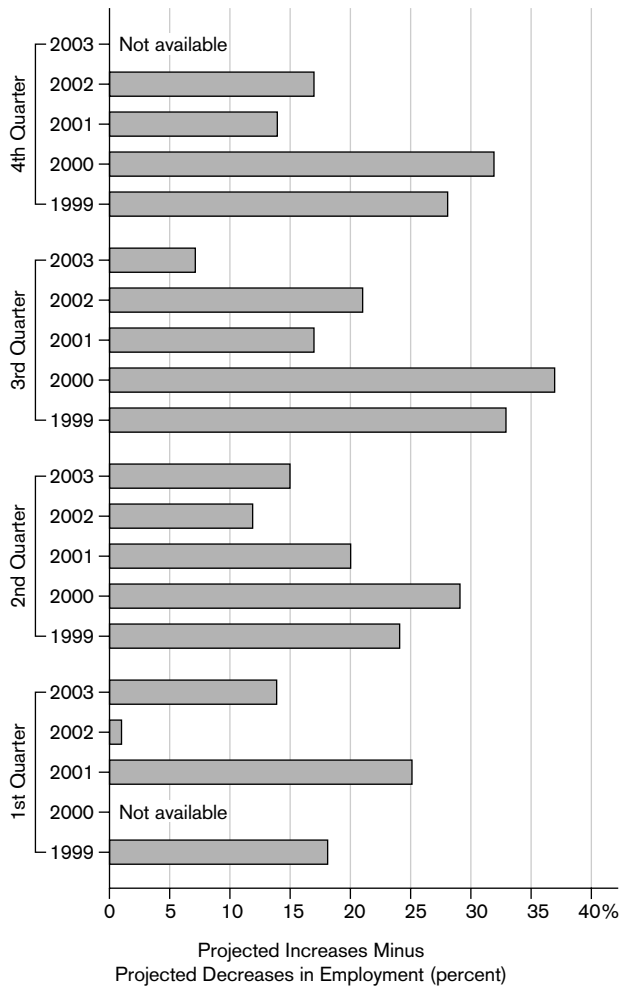


FIGURE 7.4. Employers' Projections of Employment Growth, California, 1999–2003

SOURCE: Manpower, Inc., Net Employment Outlook Series.

## ECONOMIC BACKGROUND

The general economic slump that began in 2001 continued to affect California, and the rest of the nation as well, during 2002–03. Because of the dot-com bust, Northern California experienced a sharper economic decline than Southern California did (Pastor and Zabin 2002). By early 2003, employment in San Jose and San Francisco had fallen by over 10%.

A rough picture of the state's job market from 1999 to 2003 is provided by Figure 7.4, which presents the results of the Manpower, Inc., employment survey. This survey asks employers whether they expect to hire workers, lay off workers, or maintain

TABLE 7.1. First-Year Median Union Wage Settlements in California and the United States, 1999–2002

Year	PRIVATE SECTOR		STATE AND LOCAL GOVERNMENT	
	California	U.S.	California	U.S.
1999	3.6%	3.0%	4.0%	3.0%
2000	4.0	3.4	3.0	3.5
2001	4.1	3.5	5.0	3.5
2002	4.2	3.5	3.6	3.5

SOURCE: Bureau of National Affairs, Inc., *Daily Labor Report* (various issues) (Washington: BNA, 1999–2002).

NOTE: California contracts without sufficient information to compute a percentage are omitted. The private sector includes public enterprises such as transit agencies.

employment levels in the quarter following the survey date. The figure shows the difference between the percentage of employers who anticipated increasing their pay roster and the percentage planning a decrease for each quarter from 1999 through the second quarter of 2003.<sup>3</sup> According to the survey, employment expectations in California declined substantially in the second quarter of 2001 and remained depressed for several quarters. Data for the first half of 2003 show an expectation of modest recovery. However, employers looking toward the third quarter were showing signs of pulling back in hiring, suggesting a full recovery might be delayed.

The UCLA Anderson Forecast predicted an upturn in employment, but expected that job growth would not climb above 2 percent per annum until the latter part of 2004.<sup>4</sup> According to its projections, payroll employment growth in the state will go back to a longer-term trend growth rate of about 2.5 percent per annum by late 2004. Employment growth in the state and local government sector, however, was notably retarded by the fiscal crisis that developed as the economy softened and government receipts fell precipitously. Even a resumption of employment growth at the pre-recession rate will not make up all the jobs lost during the slump.

Despite the soft economy, first-year wage adjustments in union contracts from 1999 to 2002 generally continued to run ahead of national settlements, as Table 7.1 shows. It is reasonable to expect that, given the particularly severe state and local budget crunch in California, future public-sector settlements will show smaller gains.

3. Data for the first quarter of 2000 are not available for California. Because there is substantial seasonality in the series, the chart is broken down by quarters to reflect the substantial seasonality.

4. See UCLA Anderson Forecast 2003.

Unlike the recession of the early 1990s, California's slack economic performance during 2001 and 2002 did not disproportionately affect its private sector. Many unionized workers in the private sector are outside manufacturing and so are more insulated from world economic trends than are those involved in goods production. Thus, it is quite possible that private-sector wage settlements in California could continue to outpace those in the nation as a whole.

## **CONTRACT NEGOTIATIONS IN 2003**

Appendix A provides a list of selected union management agreements in California that expire in 2003; the data are drawn from the tabulations of the Bureau of National Affairs, Inc. (2003). Although public-sector contract expirations occur throughout the year, a concentration appears in June, at the end of the fiscal year. Negotiations in the public sector often extend over a long period, and the budget problems of state and local governments may well prolong the process. Budget difficulties may also lead to the reopenings of public-sector contracts that are not officially due to expire in 2003. Notable expirations in the private sector include those involving janitors in Los Angeles, San Francisco, and the Bay Area in April, various construction agreements in the May–July period, and supermarket contracts in the Southern California area in October.

### **Major Labor Issues in the Public Sector**

The public sector has been deeply affected by California's growing budget woes. The state budget—specifically the General Fund, which provides financing for the bulk of state programs other than transportation—was running a substantial deficit at the end of the 2002–03 fiscal year, raising the specter of pay freezes or cuts and layoffs for state and local employees and reductions in public services that would likely curtail state and local programs.<sup>5</sup> Although large figures were being reported in the media at this writing, such numbers can be misleading since budget officials are in the habit of summing together past deficits, current deficits, and future deficits (calculated under varying assumptions). By May 2003, this sum—the so-called “shortfall”—had reached \$38 billion.

More meaningful was the actual cash deficit (disbursements minus receipts) for 2002–03, which came to \$10 billion and which would have been about \$3 billion

5. Origins of the state budget crisis have been reviewed elsewhere and need not be repeated here (see Hirsch and Mitchell 2003). In essence, the state became heavily dependent on capital gains taxes on stock options and other stock transactions in the late 1990s and ran a deficit at the business cycle peak. When the economy turned down and the stock market went into substantial decline, the deficit widened owing to the fall in state revenue.

higher were it not for one-shot receipts, especially bond sales related to the tobacco settlement (California Controller 2003). Despite cutbacks and revenue enhancements that had already occurred, the legislative analyst and the governor both projected an ongoing structural deficit of \$7 to \$8 billion that would need to be corrected in future years. Meanwhile, state bond ratings were downgraded as lenders became increasingly nervous about California's fiscal condition.

The legislature was unable to reach agreement on the 2002–03 budget until September 2002, more than two months past the end of the fiscal year. Because California's constitution requires a two-thirds vote in the legislature to pass a budget, bipartisan agreement is ultimately required. The state controller warned that if a budget was not passed "on time" in 2003—which it was not—the state's ability to borrow would be jeopardized and a cash crisis could ensue. Budget crises in previous years forced the state to pay its creditors, including its employees, in "warrants" of uncertain value rather than cash. A California Supreme Court decision in early May 2003 introduced a further complication by appearing to require the state controller to pay state employees no more than the minimum wage should a budget impasse last beyond 30 June.<sup>6</sup> That is, even if the necessary cash were on hand, it might not be applied to meet the full state payroll.

State and local finances are intimately linked in California because revenue is transferred between the state and local government entities. For that reason, the state's fiscal dilemma has broad implications for state and local labor relations. As budgets tightened, labor relations became tenser. For example, in July 2003 the Orange County Employees Association demanded, but was refused, travel expense records of judges and court administrators. The union sought to show that there was waste in the county's court budget that could otherwise have been used for pay increases.

School districts are especially affected by the budget crunch. In September 2002 seven unions and the Los Angeles Unified School District agreed on a plan to maintain existing health care benefits and to increase wages. The current contracts expired in June 2003, however, and wage and job security issues were back on the table. In initial bargaining the union asked for a 6 percent pay increase; the district offered no increase and indicated it would seek to save money by furloughing teachers and other employees.

In November 2002 the state legislature cancelled a special income tax credit enjoyed by schoolteachers. Although the cancellation is just for taxes covering year 2002 (payable in 2003), it may well be extended to future years. The California Teachers Association indicated strong opposition when the legislature threatened to roll back budgetary incentives for school districts to reduce class size.

The Los Angeles Community College District announced in February 2003 that it might need to furlough various administrators, a plan opposed by an International

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6. Controller Steve Westly indicated that, based on the court decision, he could pay more than the minimum wage, but such an action could spark litigation by taxpayer groups.



Brotherhood of Teamsters local representing those employees. Other districts, including Compton and Santa Monica, announced various cutbacks, sparking union objections. Union faculty members at the Ventura County Community College District, however, voted to accept various pay and other concessions in exchange for an early retirement incentive plan.

The stock market drop that contributed to the decline in state revenue also adversely affected the portfolios of public pension plans. During the 2002–03 budget debate, a move to suspend the state’s contribution to the California Public Employees’ Retirement System (CalPERS), the country’s largest state pension fund, in exchange for an interest-bearing IOU was ultimately rejected. A new proposal, to borrow from the outside market to make contributions, emerged in the debate over the 2003–04 budget. Unless returns improve, legislators will feel increasing pressure to incorporate some combination of employer and employee contributions to ensure adequate funding. Either development would make less money available for the wages and benefits of public workers.<sup>7</sup>

The state’s budget woes generated difficulties elsewhere in the public sector. The influential California Correctional Peace Officers Association, which represents prison guards, pulled out of talks on pay concessions after the state announced plans to close a women’s prison.<sup>8</sup> Unions representing workers at the Los Angeles County courts rejected a suggestion that employees work for accrued vacation time in lieu of pay. And in July 2003 an Oakland fire station was scheduled to be closed after the Firefighters and city negotiators were unable to reach an agreement over a city proposal to raise worker contributions to their pension plan.

### **State Health Insurance Policy for California Workers**

One public policy issue that remains on the state’s agenda despite the budget crisis is health insurance coverage. Even if a dramatic policy change is not possible in the offing, the focus on covering the state’s uninsured is likely to lead to a rethinking of the issue. A major change in California’s policy could spark imitation by other states.

A relatively high proportion of California’s population is not covered by health insurance. The nonelderly residents of California (i.e., those not eligible for federal Medicare) largely obtain their coverage—if they have it—through employers. (Those

7. A court decision restricting the pay levels of portfolio managers at CalPERS and another state pension plan covering teachers in April 2003 has complicated the administration of those programs. There is also litigation pending against the University of California’s pension plan to disclose details of its private equity investments. The University’s pension situation is also complicated by the possibility that it would lose the contract to manage the Los Alamos National Laboratory. Lab employees are included in the University pension system and a loss of the contract could involve some loss of pension fund assets.

8. The prison guards have been repeatedly spotlighted as major contributors to state election campaigns. Public controversies have arisen concerning overtime pay and other matters.

on “welfare” receive coverage through Medi-Cal.) Many employers, however, especially low-wage employers, do not provide health coverage.

California has been debating health insurance policy since the World War I era. In 1945 Governor Earl Warren proposed a single-payer plan that was defeated in the legislature. Two years later he proposed a “pay-or-play” approach that was also defeated. In the 1990s California voters defeated initiatives that featured both single-payer and employer mandates.<sup>9</sup> Although some progress was made in the late 1990s in covering children of the working poor through the Healthy Families program, large gaps in coverage remain. Those without coverage often wind up in the emergency rooms of public hospitals. This method of providing health care is expensive, inefficient, and ineffective, and it contributes to the fiscal problems of local governments.

The failure of the Clinton plan for mandated employer-based coverage in 1993–94 quieted the debate over universal coverage for a time, but rising health care premiums in the early 2000s revived the topic. Only one state—Hawaii—mandates employer coverage. Pressure for a state solution in California—since none has been forthcoming at the federal level—has led to new proposals. For example, in late 2002 the CEO of Blue Shield of California called for a system based on employer-mandated coverage, with tax-funded benefits for California residents not eligible for employee benefits.<sup>10</sup>

Two approaches have been proposed in the California Legislature. One, put forward by California state senator Sheila Kuehl, would replace current programs with a state-run “single-payer” fund. The Kuehl plan is broadly similar to Canada’s provincially run system. The alternative proposal, identified with state senate leader John Burton, would mandate employer coverage with a “pay-or-play” option: employers would either buy coverage from a private carrier or pay to join a state fund. The system would be similar to workers’ compensation. Indeed, the proposal is partly linked to the medical component of workers’ comp (which is, as noted below, having a cost control problem).

While it is unlikely that any major change in California’s health insurance system will materialize in the immediate future, modest changes are occurring. For example, in January 2003 four Bay Area counties announced a plan to use tobacco-related funding and other sources to expand health insurance for children.<sup>11</sup> In another example, under a new statute, AB 2178, California employers covered by living-wage ordinances can purchase health insurance from a special plan run by nonprofit organizations for small employers. Such covered employers need not meet the small-size

9. See Mitchell 2002.

10. See *Los Angeles Times* 2002a.

11. Governor Davis requested that the federal government allow localities to provide matching funds for federal assistance in maintaining coverage of children of the working poor, since state matching funds are restricted by the budget crisis. It is unclear at this writing whether the request will be granted.

criterion normally required for such access. Governor Davis signed the new law in September 2002.

### **Developments Unrelated to the Budget**

Although California's budget constraints clearly had an impact on labor relations in the public sector, not all labor issues revolved around the state's fiscal condition.

A *Los Angeles Times* exit poll after the November 2002 elections found that 17 percent of voters were union members and another 11 percent were in households containing a union member. These two groups voted for Democratic Governor Gray Davis by 57 percent and 50 percent, respectively, compared with 44 percent of other voters.<sup>12</sup> Absent the union-linked voters, Davis and his opponent, Bill Simon Jr., would have been essentially tied. It is likely that unions will play a major role in the 2003 gubernatorial recall election, opposing the replacement of Governor Davis. In Los Angeles, municipal and other unions played an active role in defeating a proposal to create separate cities in the San Fernando Valley and in Hollywood.

California's Public Employment Relations Board (PERB) reported a notable increase in activity surrounding the filing and processing of unfair labor practice charges in 2001–02, as shown in Table 7.2. Fifteen representation elections were held, and all but one resulted in representation by a labor organization. Six decertification elections were held, with four polls leaving union representation intact.<sup>13</sup> Nine called for the rescission of a "fair share fee" (agency shop) arrangement. Rescissions resulted in two cases; the other seven elections left the arrangement in place.

About 70,000 California workers are members of postal unions. The largest is the American Postal Workers Union (APWU), which represents 340,000 of the 750,000 postal workers in the United States. Citing the U.S. Postal Service's financial problems, APWU agreed in December 2002 to a two-year extension to a contract that would have expired in November 2003. The extension matches a contract negotiated by the National Association of Letter Carriers in June 2002.<sup>14</sup> A similar extension was negotiated by the National Postal Mail Handlers Union, an affiliate of the Laborers' International Union of North America.

Apart from postal workers, there are probably over 180,000 federal workers in California. Most received a 4.1 percent wage increase in 2003, reflecting pay adjustments approved by Congress in February, which were 1 percent higher than those recommended by President Bush. Passage of the Homeland Security bill in

12. *Los Angeles Times* 2002b. The other voters cast 45 percent of their votes for Republican candidate Simon, a statistically insignificant difference from their 44 percent for Davis. Unions, especially those in the public sector and construction, were major contributors to the Davis campaign.

13. One led to decertification; the other was awaiting final decision when the PERB report was issued.

14. The smaller Rural Letter Carriers has a contract expiring in 2004.

TABLE 7.2. Public Employment Relations Board Charges and Their Disposition, 1994–2002

	1994–95	1995–96	1996–97	1997–98	1998–99	1999–00	2000–01	2001–02
Unfair labor practice charges filed	532	546	660	621	604	511	461	935
Disposition								
Charges withdrawn	169	151	155	188	176	149	139	184
Charges dismissed	139	138	172	149	158	173	153	354
Complaints issued	152	213	338	278	312	216	193	240
Total	460	502	665	615	646	538	485	778

SOURCE: Public Employment Relations Board, *Annual Report* (various issues) (Sacramento: PERB, 1995–2002).

November 2002 enabled the consolidation of twenty-two federal agencies into the Department of Homeland Security. Reflecting demands made by the Bush administration, the legislation exempts many of the new department's employees from union representation. In California these policies especially affect airport security screeners, who are employees of the Transportation Security Administration (TSA). The American Federation of Government Employees filed a lawsuit in January 2003 that sought to overturn the ban on unions at TSA. In late April 2003 TSA announced that it would reduce the number of screeners at several California airports.

A possible strike of Metropolitan Transit Authority (MTA) bus and train supervisors represented by the American Federation of State, County, and Municipal Employees (AFSCME) in Los Angeles County was averted in August 2002. The new contract provided for a committee to work out ongoing benefit issues and called for wage inequity adjustments. The agreement was reached after two years of negotiations. Meanwhile, mechanics and maintenance workers at MTA represented by the Amalgamated Transit Union (ATU) continued to negotiate after the expiration of their contract in January 2003. And ATU drivers for the MTA threatened strike action when their contract expired in June 2003. Governor Davis formed a fact-finding panel to investigate the dispute. Under state law, the governor can block a strike for sixty days in an effort to promote a settlement.

At the University of California, Berkeley, lecturers struck for two days early in the 2002 fall semester over ongoing issues of job security. Similar short strikes occurred later at other campuses. A contract was eventually signed in July 2003, resolving some of these concerns and raising pay levels. Meanwhile, in June, another group of professionals—doctors employed by Los Angeles County—voted to decertify their union three years after voting for union representation. The Union of American Physicians and Dentists indicated that it might file legal objections to the decertifi-

cation election. The doctors lost a flexible benefit plan after they organized, and the union began litigation against the county, citing a state law that prevents employers from rescinding benefits when employees join a union. The lawsuit was still pending at this writing.

In April 2003 the Los Angeles Unified School District removed 250 bus routes previously under contract to Laidlaw Educational Services and awarded them to another operator. Laidlaw had experienced a Teamsters strike a year earlier. When the Teamsters complained that the new operator was nonunion, the district denied that its decision was antiunion and pointed to various deficiencies in Laidlaw service. Meanwhile, candidates backed by United Teachers Los Angeles were elected to the district's school board in March.

In January 2003 CalPERS settled an age-discrimination lawsuit by agreeing to pay out \$250 million to public safety employees whose disability retirement benefits had been cut back because they were hired at an older age. The settlement effectively nullified a portion of the California Government Code that gave fewer benefits to workers who were hired after age 30. In February 2003 Sean Harrigan, a vice president of the Food and Commercial Workers, was elected president of the CalPERS governing board, defeating San Francisco Mayor Willie Brown. Harrigan cited restraining health costs, which CalPERS pays for many public workers, as a major objective.

In April 2003, in *County of Riverside vs. Superior Court*, the California Supreme Court unanimously voided SB 402, legislation that allowed unions representing public safety workers to request binding interest arbitration in the event of an impasse with their employers. Unlike other public-sector employees in California, safety workers do not have the right to strike, and the law was intended to provide a substitute. The court ruled that the law improperly put governmental decision making into the hands of an arbitrator.

## **EMPLOYMENT-RELATED PUBLIC POLICIES**

Changes in public policy have far-reaching effects on employees throughout California, whether they are in the public or the private sector. Until recently, federal and California state law required employers to provide unpaid family leave for maternity and similar reasons. In September 2002 California adopted new legislation that provides for *paid* family leave under its state disability program starting in 2004. The program is to be funded through employee contributions. Allowable leaves will be up to six months in duration.

Employers in California must provide workers' compensation coverage. In the state's "pay-or-play" system, they may either obtain coverage from a private carrier or buy insurance from the State Compensation Insurance Fund. In early 2003 the State Fund was considering a halt on new policies because of rising medical costs and an

inadequate “rainy day” reserve. Various private carriers have exited the state market, exacerbating the problem.<sup>15</sup> State Insurance Commissioner John Garamendi sought to assure employers that they would have continued access to the State Fund if other coverage could not be obtained.

Meanwhile, various benefit increases under the program went into effect on 1 January 2003, raising the maximum weekly payout for temporary or permanent total disability to \$602. Maximum weekly benefits under California’s unemployment insurance program rose to \$370 per week. Employer groups complained that the program would likely require new payroll taxes in 2004. In the first quarter of 2003 the trust fund for unemployment insurance stood at 0.55 percent of wages in California, below the U.S. average of 0.77 percent.<sup>16</sup>

Apparel workers in San Francisco received \$865,000 in back pay after Wins of California Inc. declared bankruptcy. Wins, a contractor for several big-name retailers, employed mostly workers of Chinese origin. The wages, distributed in October 2002 by the state labor commissioner, came from a special fund established by a state law enacted in 1999. Funded by a tax on apparel employers, the law provides back pay for workers who are shortchanged by employer bankruptcies or similar situations. Community organizations were said to have played an important role in obtaining the payment.

Federal law requires employers with one hundred or more workers to give sixty days advance notice of mass layoffs. State legislation enacted in 2002, AB 2957, extends the requirement down to employers of seventy-five or more workers. Another new bill, SB 1818, insures that all state labor protections apply to workers regardless of their immigration status. The new law was promoted by a U.S. Supreme Court decision in 2002 that denied certain federal labor law remedies to undocumented workers.<sup>17</sup> AB 1599, passed in September 2002, added age discrimination in employment to the list of state prohibitions. A state court decision in 2001 had rejected a state-level claim for age discrimination on the grounds that age was not specifically mentioned in California antidiscrimination law. The new act overrides that decision.

Despite notable legislative successes by unions, not all bills favored by organized

15. A 2002 report published by the Upjohn Institute found that experiments with “carve-outs” for workers’ comp in construction in California have neither produced great success in reducing costs nor done damage (Levine 2002). Changes in state law permit carve-outs pursuant to collective bargaining agreements in timber and aerospace. The Workers’ Compensation Insurance Rating Bureau submitted recommendations of a 10.6 percent increase in premiums to the California Department of Insurance in April 2003.

16. Texas and New York, the next two largest states, had essentially exhausted their trust funds by the fourth quarter; their ratios were zero.

17. *Huffman Plastics Compounds v. NLRB* (122 S. Ct. 1275). The national AFL-CIO filed a complaint with the International Labor Organization in November 2002 over the Court’s decision, alleging that it violates international agreements on workers’ rights.

labor were signed into law.<sup>18</sup> AB 2989, a bill that would have required ordinary workers to receive severance pay when such pay was offered to managers, was vetoed by the governor. A tightened ergonomics standard for repetitive motion injuries, AB 2845, was also vetoed. And AB 2242, a bill that would have applied a cost-of-living escalator to the California minimum wage, died in the senate.<sup>19</sup>

## MAJOR LABOR ISSUES IN THE PRIVATE SECTOR

The U.S. Bureau of Labor Statistics reported only two major work stoppages—those that affect 1,000 employees or more—in California's private sector in 2002. The Teamsters struck Delta Dental, an insurance carrier, from July 19 to August 12 in a dispute involving 1,200 workers. The strike was settled with a four-year contract that provides pay increases but also increases weekly hours. More prominently, a lockout in the maritime industry (discussed below) affected 10,500 workers in California and other West Coast states and lasted from 27 September until 9 October 2002. Settlements and other labor relations developments in the private sector are reported below by industry.

The federal National Labor Relations Board (NLRB) regulates labor relations for the private sector (and the U.S. Postal Service). The board conducts representation and other elections and adjudicates unfair labor practice charges (ULPs) against employers and unions. Such charges often arise during organizing campaigns or during negotiations. During the federal fiscal year ending 30 September 2002, the greatest number of unfair labor practice charges in California were filed against hospitals (Table 7.3). This area of health care was the center of intensive organizing efforts and some tense negotiations, especially regarding nurses (discussed below). A related area, nursing and residential care facilities, also made the top ten list of ULPs. Individuals filed the largest number of charges, as shown in Table 7.4. Charges filed by the Teamsters and the SEIU accounted for over one-fourth of the 2,958 charges filed.

Far fewer ULPs were filed against unions. The hospitals ranked fifth among industries filing these charges (Table 7.5). The Teamsters and the SEIU topped the list of unions charged, receiving over one-fourth of the 850 charges filed in California (Table 7.6).

18. The National Right to Work Legal Defense Foundation has tended to support litigation that would limit political use of dues and agency fee monies collected by unions. In April 2003, for example, it filed a class-action suit against the Professional Engineers in California Government in an attempt to force a refunding of such payments that the suit alleges were improperly collected by the union.

19. In January 2003 the California Industrial Welfare Commission voted against an increase in the state minimum wage, which currently is \$6.75.

TABLE 7.3. Top Ten Industries Charged under NLRB Section 8(a) Unfair Labor Practice Filings, California, Fiscal Year 2002

<i>Industry</i>	<i>Number</i>
Hospitals	292
Special trade contractors	219
Administrative and support services	175
U.S. Postal Service	148
Broadcasting and telecommunications	134
Food manufacturing	105
Waste management and remediation services	103
Transit and ground passenger transportation	99
Accommodation	90
Nursing and residential care facilities	83
All California 8(a) cases	2,958

SOURCE: National Labor Relations Board.

TABLE 7.5. Top Ten Industries Filing Unfair Labor Practice Charges under NLRB Section 8(b), California, Fiscal Year 2002

<i>Industry</i>	<i>Number</i>
U.S. Postal Service	70
Special trade contracting	64
Administrative and support services	64
Accommodations	51
Hospitals	43
Broadcasting and telecommunications	39
Building, developing and general contracting	32
Food beverage stores	32
Support activities for transportation	29
Food manufacturing	29
All California 8(b) Cases	850

SOURCE: National Labor Relations Board.

TABLE 7.4. Top Ten Parties Filing Unfair Labor Practice Charges under NLRB Section 8(a), California, Fiscal Year 2002

<i>Party</i>	<i>Number</i>
An individual	536
International Brotherhood of Teamsters	420
Service Employees International Union	382
International Union of Operating Engineers	183
Hotel Employees and Restaurant Employees Union	92
Communication Workers of America	80
American Postal Workers Union	73
United Brotherhood of Carpenters	64
International Brotherhood of Electrical Workers	59
United Food and Commercial Workers	46
All California 8(a) Cases	2,958

SOURCE: National Labor Relations Board.

TABLE 7.6. Unions Charged under NLRB Section 8(b) Unfair Labor Practice Filings, California, Fiscal Year 2002

<i>Union</i>	<i>Number</i>
International Brotherhood of Teamsters	137
Service Employees International Union	100
Hotel Employees and Restaurant Employees	63
United Brotherhood of Carpenters and Joiners of America	44
American Postal Workers Union	41
International Brotherhood of Electrical Workers	38
United Food and Commercial Workers Union	37
International Longshoremens and Warehouse Union	35
International Union of Operating Engineers	34
National Association of Letter Carriers	23
All California 8(b) Cases	850

SOURCE: National Labor Relations Board.



## Aerospace

At one time, before the end of the Cold War, developments in aerospace labor relations might well have been centered in Southern California; in 2002, however, the UCLA Anderson Forecast estimated that the total number of people employed in California aerospace was 131,000, down from 383,000 in 1986. The Forecast did see some growth in aerospace employment over the next few years, based on limited recovery of the airline industry and increased military demand. Boeing, for example, received additional orders for C-17 military transports in August 2002, which will keep its Long Beach plant (formerly a McDonnell-Douglas facility) open into 2008. The plant employs about 7,000; the United Auto Workers (UAW) represents the production workers.<sup>20</sup>

Nonetheless, the aerospace industry retains little of its former importance to California. Companies such as McDonnell-Douglas and Lockheed, once headquartered in Southern California, have been absorbed and restructured and no longer have headquarters in the state. Only one Fortune 500 aerospace company, Northrop-Grumman, is still based here. The Northrop component of this merged firm was historically a largely nonunion operation.<sup>21</sup>

Difficult labor negotiations at Boeing in 2002 involved plants in the Northwest and Midwest represented by the International Association of Machinists, but plants in California were not affected.<sup>22</sup> It is likely that those settlements and the general economic climate surrounding the industry will have an impact on negotiations in California when contracts at Boeing and Lockheed Martin facilities expire in 2004 and 2005, respectively.

One California aerospace contract was renegotiated with the Machinists in February at BF Goodrich Aerostructures Group, a parts manufacturer in Chula Vista and Riverside. The three-year agreement, for 1,200 workers, includes wage increases and continued escalator adjustments.

## Agriculture

Thanks to its omission from federal coverage under the original Wagner Act of 1935, agriculture is the largest component of the private sector whose labor relations

20. Boeing has about 35,000 employees in Southern California (about 24,000 in Los Angeles County), and is one of the area's largest private employers.

21. Northrop and Grumman merged in 1994 as part of the general restructuring of the aerospace industry after the end of the Cold War. Northrop did have some independent unionization at one time, but most of its operations were nonunion and the company was well known for its early operation of a grievance-and-arbitration system that emulated such arrangements in the union sector.

22. In February 2003 the NLRB upheld a 2002 election in which Boeing engineers in California and Florida decertified the Southern California Professional Engineering Association. The decertification was partly the result of employees' unhappiness with the association's decision to link with the Office Employees.

are regulated largely by the state. Starting in the 1970s the Agricultural Labor Relations Board (ALRB), California's counterpart to the federal National Labor Relations Board (NLRB), has administered a state statute dealing with union recognition procedures and unfair labor practices. Since agriculture accounts for only about 2 to 3 percent of state wage and salary employment, the ALRB has a much lower caseload than the NLRB does, and it issues only a few decisions each year.<sup>23</sup> Table 7.7 provides data on ALRB's issuance of decisions and orders in 1998 through 2002.

Relatively few California farm workers are represented by a union. For those who are, a major concern in the state legislature in 2002 was the failure of workers to reach a "first contract" settlement with their employers. As in the rest of the workforce, a union win in a representation election does not guarantee that the employer and the union will be able to negotiate a collective bargaining agreement. State Senate President Pro Tempore John Burton initially proposed a bill, SB 1736, that would provide for mandatory binding arbitration when union and employer reach an impasse. The bill was modeled on legislation enacted the previous year covering so-called backstretch workers at horse racetracks. After the Burton-backed bill cleared the legislature, the United Farm Workers (UFW) urged Governor Davis to sign it, mounting demonstrations in Sacramento against the backdrop of the ongoing gubernatorial election campaign. Employers, represented by the California Farm Bureau, strongly opposed the bill.

In a compromise, Governor Davis signed AB 1736, legislation that provides a complicated mediation procedure to resolve first contract impasses. The legislation limits the number of cases that can be disputed and includes a "sunset" provision, which requires that the governor reauthorize SB 1736 in 2008. The ALRB enacted regulations implementing the new law in early 2003. In response to grower complaints about provisions that required them to give unions access to their financial records, the ALRB modified its regulations to accord with federal standards on such disclosures. Actual use of the mediation procedure is likely to be the subject of litigation; the Pacific Legal Foundation filed a lawsuit challenging the process in February 2003. An early test of the legislation may involve Pictsweet Mushroom Farms in Ventura, where an impasse has continued since 1987. In July 2003 the UFW requested mandatory mediation at Pictsweet.

TABLE 7.7. Decisions and Orders Issued by the Agricultural Labor Relations Board

<i>Calendar Year</i>	<i>Decisions and Orders Issued</i>
1998	9
1999	7
2000	5
2001	5
2002	9

SOURCE: Agricultural Labor Relations Board.

23. Agricultural wage and salary employment in California ranges from 300,000 to 500,000, in a highly seasonal pattern. Decisions and orders of the ALRB involve both unfair labor practices and election outcomes.

In February 2003 the UFW replaced the Coastal Berry of California Farm Workers Committee as the representative of 900 workers at Coastal Berry in an ALRB election in Watsonville. UFW officials regarded the Committee as an employer-dominated entity, although the ALRB accepted it as a legitimate organization.<sup>24</sup> A new contract was negotiated in June, providing pay and benefit increases.

Also in February a group representing farm workers in Florida began a hunger strike at the Irvine headquarters of Taco Bell. The demonstration was part of a campaign to raise piece rates for workers at Taco Bell suppliers. The ALRB received a petition from workers at the E&J Gallo Winery for a decertification election in March. The election was held, but the uncounted ballots were sealed, pending an investigation into UFW charges that a company representative had pressured workers to sign the petition. The ALRB issued a complaint accusing the winery of unfair labor practices in April. A decision had not been reached as of this writing.

Controversy continued over the importation of guest workers in cases of alleged labor shortages.<sup>25</sup> A grower in San Diego County was successfully sued on grounds it offered more favorable housing and wages to guest workers than to U.S. residents. The grower was ordered to provide equal conditions to its U.S. resident workers.

The United Farm Workers (UFW) proposed that tax credits be given to agricultural employers who provide health insurance to their workers. Under the proposal, the credits would replace existing sales tax exemptions for agricultural machinery and other farm inputs that were adopted in a budget compromise in 2001.

A new state law allowing felony rather than misdemeanor charges in work accidents resulted in indictments of a dairyman and his foreman in February 2003. The indictments stemmed from a farm accident two years earlier, in which two employees were overcome by fumes from a liquid manure pool and drowned. Also in the safety area, the UFW and other farm worker advocates proposed in April that the California Occupational Safety and Health Standards Board (CalOSHA) implement a ban on hand weeding. Proponents pointed to back injuries that result from the practice. Growers, particularly organic growers who cannot use herbicides, oppose the effort.

The employment concerns of farm workers also attracted the support of celebrities. Movie star Ed Begley Jr. wrote, produced, and directed a musical based on the life of Cesar Chavez that opened in Los Angeles in March 2003. Several actors participated in the effort to enact the ALRB mediation legislation (described above), including Warren Beatty, Robert Redford, Jack Nicholson, Barbara Streisand, and Martin Sheen. Dolores Huerta, a co-founder of the UFW, received the \$100,000 Puffin/Nation prize for her work in various social causes. The seventy-two-year-old Huerta pledged to use the money to train community activists.

24. State law follows federal law in banning employer-dominated labor organizations, or so-called company unions.

25. The Immigration and Reform Act of 1986 allows employers to hire foreign workers temporarily when domestic workers are not available.

## Airlines

Before deregulation, California was the home base for such long-gone airlines as Western and PSA, smaller carriers that were absorbed by other companies. Under the old Standard Industrial Classification (SIC) code definition, over 180,000 employees were found in California “air transportation” in 2000. At the end of 2002 that number was below 130,000.<sup>26</sup> Service to and within California today is provided mainly by surviving major carriers such as United and American Airlines and by low-cost operations such as Southwest Airlines and JetBlue Airways. These two no-frills airlines have remained profitable. At Southwest, the Machinists negotiated a six-year agreement for customer service representatives and clerks in December 2002 with wage increases and other benefits, and in January 2003 the independent Aircraft Mechanics Fraternal Association replaced the Teamsters in a National Mediation Board election.

The larger carriers have had financial difficulties for several years. Their problems were exacerbated by the terrorist attacks of 11 September 2001 and were further worsened by the Iraq war of 2003 and a decline in travel to and from Asia after the outbreak of severe acute respiratory syndrome (SARS). The most dramatic impact of the airline slump was probably felt by United Airlines, which has roughly 20,000 California employees. About one-fifth of United flights originate in California, especially from Los Angeles International Airport (LAX) and San Francisco International Airport (SFO).

In December 2002 United was unsuccessful in obtaining a loan from the federal Air Transportation Stabilization Board, the agency created to support the industry after September 11. Shortly thereafter, United declared bankruptcy.<sup>27</sup> The company’s stock, which had once soared as high as \$90 per share in the late 1990s, fell below \$1 per share and was de-listed from the New York Stock Exchange. Bond rater Fitch Ratings consequently reported a “negative outlook” for LAX, although the airport remained highly rated. Employees owned 55 percent of United Airlines before the company filed for Chapter 11 protection. The airline’s Employee Stock Ownership Plan was officially terminated in July 2003; employees will receive some value for their shares although the amounts were not clear at this writing.

United and the Machinists had experienced particularly difficult contract negotiations in the months leading up to the bankruptcy. In January 2003 a federal bankruptcy judge gave the airline permission to cut Machinist wages below contract levels. Other unions at United had earlier agreed to concessions. In July workers covered by the Machinists contract, apparently upset by all that had transpired, voted to join another independent union, ending their association with the Machinists.

26. Use of the Standard Industrial Classification was discontinued in 2003, making later data incompatible.

27. US Airways filed bankruptcy in August 2002, but it has a much more limited presence in California than United does. It ultimately won loan guarantees from the ATSB in February 2003.

United's bankruptcy did not lead to bankruptcy at rival American Airlines. American, which is not employee controlled, sought large wage concessions from its pilots (who have an independent union) and its other workers. American approved large bonuses for executives during or shortly after unions had voted on pay concessions. The firm withdrew the bonuses when news of the bonuses became public and the airline's CEO resigned. After the controversy quieted, the unions at American accepted or re-accepted concessions. Concessions made by the pilots were reported to be less severe than those contained in the initial agreement. The financial future of American remains uncertain at this writing. American is also a major presence at LAX and SFO.

Other carriers that serve cities in California, such as Delta and Northwest Airlines, also sought concessions. Alaska Airlines began hinting in April 2003 that it too might take such action, although no specific demands were made. Hawaiian Airlines sought bankruptcy protection in March 2003. It tentatively proposed closing its bases in California for its California pilots, seeking to avoid the costs of lodging them at Hawaiian hotels. At America West, pilots rejected a tentative agreement in March 2003, although pay cuts and similar concessions were not on the table.

Defined-benefit pensions in the airline industry are insured by the federal Pension Benefit Guaranty Corporation (PBGC). It appeared likely that a number of these retirement plans might be terminated and turned over to the PBGC in underfunded status, creating a financial problem for the agency. Highly paid employees, such as pilots, might also see their pensions cut as a result of a cap on PBGC pension payouts. In addition, California's important tourist industry might experience fallout from airline bankruptcies and related difficulties.

The airline industry was also affected by national security concerns. After much debate, Congress agreed to allow commercial airline pilots to carry guns in the cockpit under certain circumstances; the provision was included in the legislation that created the Department of Homeland Security in November 2002. The Air Line Pilots Association (ALPA), the largest pilots' union, expressed concern about a new program under which a pilot's license, or the licenses of other certified airline workers, could be revoked prior to a hearing by federal authorities.<sup>28</sup> More traditional safety concerns were reflected in ALPA's disappointment regarding the Burbank Airport Authority's decision to abandon efforts to construct a new terminal, which would have been located farther from the runways than the existing structure is. Construction was blocked by local residents who were concerned that a new terminal would increase air traffic and aircraft noise.

## **Construction**

In March 2003 the State Building and Construction Trades Council of California voiced concern about a potential diversion or nonexpenditure of Proposition 42

28. ALPA has challenged the new program in federal court.

funds. Prop 42 requires that tax revenue from gasoline sales, which previously went to the General Fund, be spent on transportation projects. Governor Davis proposed suspending the proposition to help address the state's burgeoning deficit. Prop 42, enacted in March 2002, was supported by construction unions but opposed by public-sector unions. Budget problems could also affect state apprenticeship funds, and the construction trades sought to protect these funds from cutbacks.

In May 2003 the International Brotherhood of Electrical Workers (IBEW) negotiated an innovative contract with electrical contractors in Santa Clara County (which was hard hit when the dot-com bubble burst). The new contract provides no wage increase in the first year of its two-year life, and it gears second-year wage increases to the level of construction activity. Increased activity could raise wages by as much as \$2.05. In June electrical workers in the San Francisco area also approved a contract after rejecting two prior proposals. This contract diverts the entire first-year pay increase to health care and leaves the second-year split between health care costs and wages to be determined.

The United Brotherhood of Carpenters and Joiners of America (UBC) also negotiated an interesting contract in June 2003 that reflects market conditions in Northern California. Under the agreement, which is actually an extension of an existing contract expiring in 2008, a series of wage increases are scheduled with some regional variation. The contract includes a cost saving of seventy-five cents an hour for independent contractors who join the accord. This inducement is funded jointly by covered employers and the union.

At the national level, the Bush administration succeeded in its efforts to ban project labor agreements as a bid specification on federally funded construction. Such agreements, which had been promoted by the Clinton administration, are intended to guarantee labor peace during the life of the project. Litigation against the executive order issued by Bush ended when the U.S. Supreme Court refused to hear an appeal in January 2003. The ban was generally supported by nonunion construction contractors and opposed by construction trade unions. It will affect construction on federal projects in California as well as elsewhere.

### **Electrical Equipment**

General Electric's contracts with its unions expired in June 2003. GE does have some union-represented workers in California, although most are outside the state. The unions—chiefly the Communications Workers of America (CWA) and United Electrical, Radio, and Machine Workers of America (UE)—engaged in a two-day strike in mid-January 2003, protesting an increase in health care copayments.<sup>29</sup> The strike, which received national media coverage, helped focus public attention on

29. CWA merged with the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers (IUE) in 2000, thus inheriting representation at GE.

the issue of employer-provided health insurance. The issue is receiving special attention in California, and high-profile negotiations centering on health care between GE and its unions would reinforce that debate.

Unions also put pressure on GE management in the pension area by pushing a stockholder proposal related to executive compensation. In the past, earnings from the pension fund were summed with corporate earnings to determine executive bonuses. GE agreed to revise its procedure to exclude pension income. The fact that the pension fund suffered losses in 2002 and 2001 may have played a part in the corporation's willingness to accept the change. The California state pension plan, CalPERS, has backed a stockholder resolution to tie executive pay at GE more closely to performance targets.

The eventual GE contract, negotiated in June, provides for some increase in the health care payments by employees, but the unions argued that the percentage share of the burden was preserved. The parties estimated that the contract, which contains both guaranteed and escalator adjustments, would raise wages by about 3.9% per year over a four-year term. Various pension improvements were also included.

## **Entertainment**

Although Southern California remains a major center of film and TV production, concerns about “runaway” production, especially to Canada, was a major focus for unions in 2002. None of the five movies nominated for best picture at the 2003 Academy Awards was filmed locally. Proposals to encourage film companies to stay in California have included state tax credits—difficult to achieve in a time of budget crisis—and similar federal subventions.

Union officials in Los Angeles also expressed concerns about the operation of the Entertainment Industry Development Corporation (EIDC). This entity was created to promote local film production and jobs as a semiautonomous, albeit government-sponsored, corporation. Charges of financial irregularities led to the resignation of EIDC's president in December 2002. The EIDC did report that production days in Los Angeles neighborhoods rose slightly from 2002 to 2003.

Members of the Screen Actors Guild (SAG) and the American Federation of Television and Radio Artists (AFTRA) voted in July to reject the merger that had been proposed by union officials in April. SAG members narrowly defeated the proposal, which required membership approval of both organizations. Seventy-five percent of AFTRA approved the consolidation, but the SAG vote was about 2 percent short of the 60 percent margin needed for approval.

Officials estimated that a merged organization would have 150,000 members. Many actors—an estimated 40,000—currently belong to both unions, and a merger might avoid disputes over jurisdiction as movie technology shifts from film to digital production. A merger plan also fell through in 1999. Merger proponents at SAG suggested there would be further efforts at combining the two unions, and the issue

seems likely to play a prominent role in the upcoming officer elections at SAG in November 2003.

In October 2002 a group of television writers filed a class action lawsuit against networks, production studios, and agencies, charging that these organizations discriminated against writers over the age of forty. Their action failed to convince a California Superior Court judge, who ruled in January that the plaintiffs would have to file separate class-action suits against each organization. On the other hand, also in January, a federal court ruled that an employee covered by the International Association of Theatrical Stage Employees (IATSE) could sue to recover alleged underpayment of overtime from an employer. The ruling stated that since the employer's union contract was silent on whether work on several projects should be aggregated for overtime calculations, labor law did not preempt the employee's suit. Because of the contingent nature of work in this industry, the question of long hours is an issue of concern. In another entertainment industry development, SAG deplored condemnations on talk radio of well-known actors who opposed the war in Iraq in the spring of 2003.

Various entertainment unions united with producers to lobby against a loosening of restrictions on media ownership by the Federal Communications Commission (FCC). After the Commission eased restrictions in June 2002, instituting far-reaching revisions of the rules that govern the ownership of newspapers and radio and television stations, legislation limiting the new regulations was introduced in the House and the Senate. Unions and producers fear a loss of bargaining power and jobs should ownership become more concentrated.

IATSE succeeded in negotiating an initial three-year contract covering production of music videos in December 2002. In February 2003 IATSE signed a three-year basic agreement with Hollywood studios. The contract covers a reported 30,000 production workers and includes various wage and benefit gains. A representation dispute between Teamsters and Clear Channel Communications at a Rolling Stones concert in San Francisco's Pac Bell Park was averted in November 2002 after Mayor Willie Brown intervened.

California's Occupational Safety and Health Standards Board adopted new rules in 2002 to protect workers using TV news vehicles with high microwave masts. In a highly publicized incident in 2000, a reporter was nearly electrocuted when a mast touched overhead electrical cables.

The Writers Guild of America created a website through which creative works intended for radio, television, film, video, or interactive media can be registered electronically. It provides a less cumbersome method of registration than sending such works to the Guild by mail.

Another area of entertainment that is important to California is professional sports: the state is home to five—one-sixth—of the nation's major league baseball teams. A major league strike was averted with a settlement in August 2002, allaying fears that the baseball season would end as it did in 1994, without a World Series.



A strike would have had short-term ripple effects on stadium workers and suppliers and California's tourism industry. Commentators also worried that a strike could erode fans' interest in professional baseball. The contract, which extends to 2006, provides for a complex system of revenue sharing and taxes on payrolls above a designated threshold.

### **Food Processing**

A heavily Latino workforce at Brawley Beef, a meatpacking plant in Brawley, California, voted to be represented by a joint entity composed of the UFCW and the Teamsters in September 2002. A new contract with wage and benefit increases was reported as ratified in May 2003. Health care issues were featured in the food industries as they were in others. Workers at various California canneries settled a new three-year contract with the Teamsters in July 2003 that continued complete employer-paid health insurance. If health costs continue to rise, however, employee co-pays could be triggered in the third year of the contract.

### **Health Care<sup>30</sup>**

The health services industry remains under pressure from managed care, rising costs and premiums, drug prices, and—particularly for public hospitals—budgetary stringency. Perhaps because of these strains, this industry remains an active area of union organization and bargaining.

A recognition dispute involving nurses at the Antelope Valley Health Care District and the California Nurses Association (CNA) led to an investigation by the state attorney general as to whether state funds were being used to discourage unionization.<sup>31</sup> The incumbent board chair of the Antelope Valley District had been defeated in board elections the previous November, and two CNA-backed candidates had been elected.<sup>32</sup> Nurses at the large Cedars-Sinai Medical Center complex in Los Angeles also voted for CNA representation in an NLRB-administered election in December 2002. The hospital management filed objections to the election, but a federal labor board judge overturned the objections in March, following hearings in February.

Nurses at the University Medical Center in Fresno won a legal victory in July 2003. The facility was originally owned by Fresno County but was privatized in

30. Also included in this section is the health care sector, whether public or private, for-profit or nonprofit.

31. Application of the California law to private employers receiving state funds was blocked by a federal judge in October 2002, on grounds the state requirement was preempted by federal labor law. This decision, however, would not apply to a state or a local hospital.

32. In an odd development, the outgoing chair was accused of backing SEIU after his election defeat. He denied the allegation.

1996. Although the CNA had previously represented the nurses, the new owners refused to recognize the union. When the NLRB ruled that CNA representation should be continued, hospital management appealed to the courts. The D.C. Court of Appeals ruled in the union's favor.

At Kaiser-Permanente in Northern and Central California, CNA negotiated a four-year pact that ended mandatory overtime. Work hours have been a particular concern of nurses in California and elsewhere in recent years. Proposed minimum nurse-to-patient ratios are now on the table pursuant to state legislation. The two largest nurses' unions in the state, CNA and the Service Employees International Union (SEIU), strongly supported the legislative approach. Similar proposals are now being put forward in the U.S. Congress. Negotiations are also being handled privately, as in the Kaiser case. Thus, a July 2002 contract between CNA and Hospital Corporation of America (HCA) hospitals in Santa Clara provides for arbitration of disputes over staffing ratios. Workload considerations affected organizing drives as well. At Pomona Valley Hospital, SEIU organized nurses by emphasizing workload issues; nurses voted for representation at that facility in September 2002.

Complaints by CNA concerning patient-care infractions at San Ramon Regional Medical Center, a Tenet Healthcare Corporation facility, produced citations by state authorities. A hospital spokesperson blamed the organizing drive that was underway.

Health care workers other than nurses raised issues regarding workload and patient care. A settlement in December 2002 between SEIU and two hospitals in Stanford—Stanford Hospital and the Lucile Packard Children's Hospital—established a labor-management committee to deal with such matters. Workload and related concerns were also an element of a settlement in the Bay Area that involved SEIU, San Jose Medical Center, and other local hospitals. After an acrimonious recognition dispute, SEIU reached a first contract for nurses at Garfield Medical Center in Monterey Park in March 2003. Meanwhile, SEIU won representation elections at various HCA facilities in the Los Angeles area in early 2003. And CNA won a nurses' election at Mary-San Pedro Hospital near the Port of Los Angeles in July 2003.

In December 2002 both parties declared victory in a lawsuit brought by the National Right to Work Legal Defense Foundation against SEIU. The union represents 80,000 home health care workers in Los Angeles County who, under a special arrangement with the Los Angeles County Board of Supervisors, are employed by the county rather than by individual disabled persons. A federal court directed SEIU to refund a portion of the dues it had collected from these aides, but, in the same ruling, the court dismissed the Right to Work foundation's challenge to the constitutionality of the representation plan established in 1997. Meanwhile, in October 2002 the County Board of Supervisors approved pay raises for the aides following a dispute with SEIU over a proposed ballot proposition that would have increased their wages.

At the other end of the pay scale, physicians became increasingly concerned about the loss of professional control to managed care administrators. Whereas some doctors have unionized over the issue, a group at County Memorial Hospital in Ventura used

litigation to protect their interests in an April 2003 lawsuit against hospital management. The doctors, who accused management of eroding professional control, have received outside financial support from the California Medical Association and the American Medical Association. Hospital management has received support in the litigation from the California Healthcare Association, a trade association.

Bargaining in the health care industry reflected the wide loss of “traditional” defined-benefit pension plans that resulted from the Enron scandal. A new defined-benefit plan was a key provision of a first contract for CNA-represented nurses at Long Beach Memorial Medical Center. The settlement was reached in December 2002, after two short strikes in the fall. A defined-benefit plan was also part of the package in the Kaiser-Permanente accord described above.

Other strikes in the health industry also ultimately produced settlements. At Queen of Angeles–Hollywood Presbyterian Medical Center, for example, SEIU reached a three-year settlement after two short strikes. The agreement raised wages and reduced the employees’ share of health insurance costs.

Unions in the health care industry used techniques other than bargaining and strikes to pressure employers in California. After a scandal at Tenet hospitals involving alleged unnecessary procedures and improper billing, SEIU and the California State Employees Association pressed CalPERS, to investigate the firm. SEIU noted that insufficient staffing ratios were part of the problem. A subsequent investigation in early 2003 suggested that costs at Tenet’s facilities were higher on average than payments to other health providers. Tenet agreed to a more cooperative stance during organizing campaigns by SEIU and AFSCME in May. Under the agreement, workers who organize will be guaranteed pay increases comparable to what the firm had been giving to other employees. CNA, which was not part of the deal, denounced the plan and said it would file unfair labor practice charges.

Celebrity power was fielded by SEIU in a recognition dispute at Providence St. Joseph Medical Center in Burbank. The union enlisted Ellen Crawford, who plays a nurse on the popular TV hospital drama show *ER*, to demonstrate for recognition after a representation election in favor of unionization in September 2002. Troy Evans, another *ER* star, had been similarly recruited in March.

The UCLA hospital system was forced to borrow funds from the campus administration to pay its bills in December 2002. A consultant was hired and was expected to recommend job cuts that the system’s administrators hoped could be accomplished through attrition. Unions in the UCLA system were said to be monitoring the system. Apparently only the nurses, who are represented by CNA, were assured that they would not be laid off.

A program that provides compensation to health care workers who become disabled by smallpox was adopted by Congress and signed into law by President George Bush in April 2003. Federal policy has encouraged workers to receive smallpox vaccinations, but industry unions have been reticent to recommend vaccination absent a federal compensation system. Few California health workers had

received vaccinations before the legislation was passed. Indeed, the San Francisco Department of Public Health imposed strict regulations on those workers who did agree to be vaccinated, prohibiting contact with patients for two to three weeks after the shots.

## High Tech

The dot-com bust and the generally soft economy continued to affect Silicon Valley and the high-tech industry generally. A number of firms announced mandatory unpaid leaves rather than outright layoffs, including the Hewlett-Packard Company (HP) and Gateway. Others, such as Computer Sciences Corp. in El Segundo, mandated that employees use up their vacation time. A group of “contract” workers began litigation against HP, arguing that the firm was using their contingent status to deny them required overtime pay. Meanwhile, in early 2003 *Fortune Magazine* designated one hundred firms nationally as “Best Companies to Work For.” Of the fifteen that were in California, fourteen were in the computer or Internet industry.<sup>33</sup>

Dot-coms and other high-tech firms in California made heavy use of stock-related pay during the boom era. Efforts by the Financial Standards Accounting Board (FASB) to require or encourage the expensing of stock options have been strongly resisted by these firms. After recent corporate accounting scandals, however, pressure for such expensing gained ground.<sup>34</sup>

Although little union organizing has occurred in California’s high-tech industries, SEIU Local 1877 has been pressing Silicon Valley employers to use “responsible contractors” for janitorial services. SEIU identifies five of the fourteen high-tech “Best Companies” as using such contractors.<sup>35</sup> SEIU has targeted Yahoo! as a firm that is not meeting its demands, and Yahoo!’s cleaning contractor was served with an NLRB complaint in December 2002, alleging unfair labor practices in its actions to oppose unionization. On the other hand, some high-profile Silicon Valley companies such as eBay and Genentech have been supportive of SEIU efforts and reportedly assisted in the resolution of the 2003 janitors’ contract.

High-tech workers gained a means of protest over working conditions courtesy of a California Supreme Court decision in June 2003. A fired Intel worker had sent numerous e-mails to other company employees denouncing firm practices. The court ruled that employers could not use the courts to halt such tactics, although they could attempt to block such e-mails by technical means.

33. The one non-high-tech firm was Vision Service Plan, an insurance carrier.

34. The London-based International Accounting Standards Board has been moving toward recommending expensing of employee stock options.

35. These firms are Xilinx, Adobe, Agilent, Silicon Graphics, and Sun Microsystems. SEIU also listed HP among the firms that use “responsible” cleaning contractors.

## Hotels

Hotels are an important element of California's tourism industry. In San Francisco the Hotel Employees and Restaurant Employees (HERE) settled a longstanding dispute with the San Francisco Marriott, reaching a first contract in August 2003. The union had originally supported construction of the hotel on the understanding that a "card check" would be recognized. Although the hotel opened in 1989, it was not until 1996 that the union achieved recognition with the assistance of Mayor Willie Brown. The new agreement generally follows labor agreements with other San Francisco hotels.

Similarly, in Santa Monica a lengthy recognition dispute between HERE and Loews Hotel ended with a card check in December 2002. The hotel agreed to binding interest arbitration if a first contract could not be negotiated. Unions and community organizations had earlier succeeded in having the city council enact a living wage ordinance that would have boosted wages at beachfront hotels and other area employers; the ordinance was effectively repealed by the voters in a referendum in November 2002.

Unionization at Native American gaming establishments remains an ongoing issue in California. Complicating the picture is the state's budget crisis: the governor hopes to negotiate greater state revenues from tribal casinos in exchange for concessions such as permission to add slot machines. Although the casinos are not subject to federal labor law, various understandings in the labor area may be part of agreements that allow casino construction and expansion.

In January 2003 the first union contract with a tribal casino was concluded between HERE and the Cache Creek Casino in Brooks. The three-year accord provides wage increases and health insurance and allows arbitration of contractual issues to be handled by a tribal panel. Representation disputes exist at other tribal casinos, however, and a legislative hearing in April 2003 was devoted to labor conditions at these establishments.

## Janitors and Building Services

SEIU's national Justice for Janitors campaign gained widespread recognition in the early 1990s when a major breakthrough in organizing occurred in Los Angeles (see Erickson et al. 2002). In 2000, following a three-week strike, Los Angeles janitors were able to reach an accord with cleaning contractors that provided wage and benefit increases; the agreement was facilitated by the intervention of local political and religious leaders.<sup>36</sup> In early March 2003, as this contract moved toward its 30 April expiration date, Mayor Jim Hahn indicated his support for the city's janitors. A new contract was reached in early May. The agreement runs for five years and

36. See Erickson 2002. A children's book about the strike of 2000, *¡Sí, Se Pueda! Yes, We Can!*, by Diana Cohn, was published in 2002 by Cinco Puntos Press.

provides modest wage increases, but preserves fully paid family health insurance, reflecting the growing interest in health insurance generally and for low-wage workers in particular. Although the market for Los Angeles commercial office space was depressed by the general economic slump, vacancies and rents appeared to be stabilizing at around the time negotiations occurred. Bay Area markets, however, continued to exhibit rising vacancies and falling rents.

Open participation of representatives of building owners and managers was an interesting element of the negotiations in Los Angeles. The Justice for Janitors campaign had in the past faced problems related to legal issues concerning secondary pressure, picketing, and strikes. Janitors are generally employed by cleaning contractors rather than the owners and managers of the buildings they clean, yet it is the owners and managers who are key to the decision to use union-represented labor and who ultimately pay the cleaning costs. Participation of owners and managers at the bargaining table established a link between the contractors and the owners and managers, and the legal issues faded. If these bargaining arrangements become the norm in other cities, the issue of secondary interests will recede from janitorial unionization and bargaining. Thus, the negotiations in Los Angeles could potentially set a pattern for negotiating arrangements, apart from whatever pattern might be set by the contract terms.

Accords reached in other parts of the country predated the negotiations in Los Angeles. A new contract was reached in the Boston area in the fall of 2002, for example, involving some cleaning firms that also are important in the Los Angeles area. Similar developments occurred in Minneapolis in early 2003 and in the Chicago area only a few weeks before the expiration date of the Los Angeles contract. Settlements were also reached in other west coast cities, notably Seattle and Portland, and in Denver.

Within California, janitors in San Jose, Orange County, and Sacramento also reached settlements in 2003. A one-week strike occurred in June in Sacramento, leading some elected officials to relocate their offices to avoid picket lines. In addition, the Sacramento City Council officially supported the janitors' campaign. Health care coverage or improvement was an element in all of these negotiations. In San Francisco related negotiations by SEIU for building guards also led to new contracts. The scene in San Francisco for janitors was complicated by a decertification attempt. Workers, upset with a national SEIU trusteeship of their local, petitioned the NLRB in an effort to establish an independent union, and the NLRB issued a complaint against SEIU in response.<sup>37</sup> Negotiations on a new contract for San Francisco janitors continued, however. A new settlement had not been reached at this writing, and health care costs remained a major issue.

37. This effort was supported by the California State Employees Association, which became a local of SEIU in 1988, but has been attempting to disaffiliate. The SEIU also is the subject of an NLRB complaint that nonstrikers during the 2000 dispute were unfairly penalized. A hearing was scheduled for April 2003. The National Right to Work Legal Defense Foundation was supporting this complaint.

In the Los Angeles area the L.A. County District Attorney prosecuted several nonunion cleaning subcontractors associated with Encompass Services—a bankrupt Texas-based firm—for labor violations. The owners were arrested in September 2002 and charged with various offenses including avoidance of paying wages owed. Apparently, the owners would open and close cleaning firms under different names, using family members as the ostensible management. The prosecution was, in part, the rest of complaints by the Maintenance Cooperation Trust Fund, which was established by SEIU and unionized contractors in the Los Angeles area. The fund is financed by a one-cent-per-hour employer contribution, pursuant to the 2000 labor-management agreement.

### **Maritime**

Although the West Coast's longshore lockout of 2002 was not confined to California, the bulk of the 10,500 workers in the bargaining unit represented by the International Longshore and Warehouse Union (ILWU) was employed in the state. When difficult negotiations with the Pacific Maritime Association (PMA) went past the 30 June 2002 contract expiration date, Bush administration officials began signaling that a work stoppage would lead to a Taft-Hartley injunction. This may well have delayed the ultimate settlement since a court-ordered cooling-off period would have removed the usual pressure of a contract expiration date.

Negotiations continued, but in late September the PMA announced a lockout, charging that port workers were engaged in slowdowns. The lockout caused considerable economic disruption to a range of firms, from retailers depending on imports for Christmas sales to the Los Angeles Opera, which was unable to obtain ship-bound sets and props. In early October President Bush used the Taft-Hartley Act to reopen the ports. A federal judge directed the parties to continue negotiations during an eighty-day cooling off period, during which terms of the expired contract would remain in effect. Even with the injunction, employers continued to accuse unions of work slowdowns.<sup>38</sup> The parties eventually reached a settlement in November, and ILWU members ratified a six-year contract in January. It provides shippers and stevedoring firms the right to implement new laborsaving technology but protects union jobs and provides for wage and benefit increases.<sup>39</sup>

The maritime industry in California is also affected by homeland security concerns. Various plans are being considered or have been implemented for security checks of cargo and port and shipping workers. The AFL-CIO Transportation Trades

38. The U.S. Justice Department investigated the complaints and found evidence that both sides contributed to reduced productivity, but the infractions were not of sufficient magnitude to warrant penalties.

39. A dispute between the ILWU and the Machinists over certain jurisdictional issues surfaced during the larger negotiations with the PMA. These issues had not been resolved at the time of this writing.

Department has been generally supportive of a bill that would provide identification cards for port workers, but the ILWU has called for protections for workers against unjust dismissals on security grounds. Port officials and users have pushed the federal government for funding to increase security but relatively little support has been received.

ILWU history has been dramatized in a play about the union's founder, Harry Bridges. The one-man play, "From Wharf Rats to Lords of the Dock," ran in San Francisco in the summer of 2002, before the lockout, and again in the spring of 2003. The play, written by Ian Ruskin, has been performed in various venues since 2000. It was presented in the Los Angeles harbor area in July 2003 and will be included in a PBS film directed by Haskell Wexler.

### **Petroleum**

Labor contracts in the petroleum industry were renegotiated in 2002 and will not expire until early 2006. Hence, no major negotiations have occurred or are scheduled to occur in California, the third-largest oil producing state, in 2003.

Unocal Corp., a Southern California-based oil producer with over \$5 billion in annual revenue, has faced continuing controversy concerning its activities abroad. The company is facing civil litigation in California regarding labor rights abuses in Myanmar (Burma), and it may be tried on similar charges in federal court.<sup>40</sup> Under pressure from shareholders, especially Amalgamated Bank (owned by the Union of Needletrades, Industrial and Textile Employees, or UNITE) and other labor and religious groups, Unocal adopted a new statement of labor rights principles in March 2003. The firm pledged to uphold core labor rights abroad as designated by the International Labor Organization.

A suit against Occidental Petroleum, another California-based firm, was filed in federal court in April. The case cites alleged human rights abuses related to Occidental's operations in Colombia.

### **Publishing**

A representation dispute at the *Chinese Daily News* in Monterey Park continues. Employees voted for CWA representation in an NLRB election held in early 2001, but the paper's management was still challenging the election at this writing.

40. At this writing, Unocal was considering appealing to the California Supreme Court to dismiss the suit against it. Unocal's motion to dismiss its federal suit was to be reviewed by the U.S. Court of Appeals in June. In a tangentially related case, Nike has appealed a 2002 California state Supreme Court decision to the U.S. Supreme Court. Under the decision, Nike could be sued for false advertising if it were shown to have incorrectly asserted in ads that its shoe suppliers abroad met appropriate labor standards.



## **Railroads**

There are about 13,000 railroad workers in California. Under a binding arbitration agreement for a contract that became amendable in 1999, members of the Transportation Communications Union (TCU) will receive pay increases through 2004, but will pay an increased share of health insurance costs. In another arbitration award, United Transportation Union (UTU) workers were given jurisdiction over remote-controlled locomotives in freight yards. The UTU has been involved in a jurisdictional dispute with the Brotherhood of Locomotive Engineers (BLE) for an extended period. Attempts to merge the two unions failed in 2002, and BLE is now considering a merger with the Teamsters. Under the Railway Labor Act, agreements do not “expire” in the railroad industry but instead become amendable, pursuant to the statute’s negotiating procedures.

## **Retail**

Rite Aid Corp., a major national chain of drugstores, reached agreements with its clerks and pharmacists in Southern California for new contracts with the United Food and Commercial Workers (UFCW) in July 2002. The chain was reported to be in financial difficulties after a corporate accounting scandal. Rising health care insurance costs were reported to be a major issue. The new agreements retained complete employer coverage of health insurance premiums, although copayments for services were increased. Retail grocers in Southern California also reached agreements with UFCW and the Teamsters in October.

Drug and grocery retailers remained concerned about inroads by nonunion Wal-Mart, which reportedly has plans to open about forty stores in California. Unions have called on some California city councils to make zoning decisions that would essentially exclude new Wal-Marts from being constructed.<sup>41</sup>

## **Telecommunications**

Workers at landline-based telephone services in California are heavily unionized and have contracts that do not expire until 2004. Wireless communications services have been growing rapidly in California, however, and pose an organizing challenge in many cases. A recent study identifies California as the largest national center of corporate headquarters for this industry, and 60,000 workers are reported to be in wireless communications. Key areas of concentration are the Bay Area and San Diego (San Diego Regional Technology Alliance 2002). In some areas of the country the Communications Workers of America (CWA) has been able to negotiate “neutrality” clauses for card-check recognition of wireless workers employed by landline firms.

41. Inglewood’s city council withdrew an ordinance that would have blocked a Wal-Mart after receiving advice from its city attorney.

## Trucking

Controversy continues over a NAFTA provision that would allow Mexican trucking firms free access to U.S. roadways; Mexican trucks are currently restricted to commercial zones within twenty miles of the U.S.–Mexico border. Implementation of the provision stalled during the Clinton administration, in large part owing to objections over safety issues that were raised by the Teamsters. The Bush administration sought to implement the NAFTA provision but was blocked by a federal court injunction in January 2003. Among the groups bringing suit were the Teamsters, the California Federation of Labor, and the California Trucking Association. California Attorney General Bill Lockyer also joined the plaintiffs in the suit. The injunction was issued on the grounds that the administration had not adequately considered the negative impact that older Mexican diesel trucks would have on the environment.

During 2002 and 2003 the Teamsters concluded major agreements with United Parcel Service (UPS) and the Motor Freight Carriers Association (MFCA). The 2002 UPS agreement provided for pay increases over a six-year period and an increase in full-time jobs. UPS also agreed to a neutrality clause with regard to future representation elections. No strike was involved in this settlement, but some UPS business was reportedly lost to rival carriers when the possibility of a strike loomed. The Machinists also negotiated a multiyear deal with UPS in March 2003. The final year of the new contract includes a me-too clause providing for the same adjustments that the Teamsters will negotiate with UPS in 2008.

The negotiations for the National Master Freight Agreement between the Teamsters and the MFCA were complicated by the liquidation of Consolidated Freightways Corp., which declared bankruptcy in a California court in September 2002.<sup>42</sup> Over 1,900 California workers lost their jobs. The Teamsters and Machinists brought suit against Consolidated, alleging unpaid wages and other losses of benefits. The Teamsters reached an accord with the surviving “less-than-truckload” freight companies in February 2003 on a five-year pact that provides pay increases and continued health care at no cost to workers. The new agreement also bans subcontracting work to Mexican trucking firms.

The Teamsters also negotiated a five-year accord with major automobile transportation firms in July 2003; some of these firms operate in, or are based in, California. Under the new contract base wages are frozen for the first two years, but a fully employer-paid health insurance plan is protected. An escalator clause, triggered by inflation above 3 percent, was also included.

Teamsters Local 396 in Covina won a federal court order against C&N Waste Services, a California waste hauling firm, requiring recognition, back pay, and pay-

42. Also in the background is a longstanding representation dispute with Overnite Transportation that has involved ongoing litigation and decertification elections. Overnite has a presence in various California metropolitan areas.

ment to various health and welfare funds. The owners of the firm reportedly shut down a unionized firm and then created C&N as a nonunion entity. After threats of arrest for contempt of court, the owners of the firm agreed to the back pay and other terms.

### **Utilities**

California's electricity crisis of 2001 continued to reverberate in the private sector. The crisis, the origins of which are still being investigated and litigated, led to the bankruptcy of Pacific Gas and Electric Company (PG&E), a major utility in Northern California. An offer by the company for a new agreement with the Utility Workers Union of America (UWUA) was heavily rejected in a membership vote in December 2002. A new offer for a five-year contract with a wage reopener after three years was voted on in May 2003; despite the firm's bankruptcy, the proposal did not involve pay concessions. The International Brotherhood of Electrical Workers (IBEW) reached a settlement with PG&E in April 2003, but agreed only to offer it to the membership with a "neutral" recommendation.

### **Other Developments in the Private Sector**

The National Center for Employee Ownership included eight California firms in its list of the top one hundred companies owned by a majority of their workers (as measured by the number of employees) in 2002. The two largest were Science Applications International of San Diego (a research and computer systems firm with 41,000 employees) and Parsons Corp. of Pasadena (an engineering and construction firm with 12,000 employees).

Standard & Poor's reported in April 2003 that of the twenty-nine California-based firms listed in the S&P 500, twenty-six had underfunded defined-benefit pension plans. Three—Northrop Grumman Corp., Hewlett-Packard Co., and Chevron Texaco Corp.—had liabilities exceeding \$2 billion. The decline in the stock market was a major cause of the shortfalls. Reconciling the underfunding will raise the direct cost of labor compensation and could squeeze other pay and benefit increases.<sup>43</sup>

43. David E. Feller, professor emeritus at UC Berkeley, died in February 2003; he was eighty-six. Before joining the law school faculty, Feller was a nationally recognized appellate lawyer. As general counsel for the Steelworkers union, he argued the famous "Arbitration Trilogy" cases before the U.S. Supreme Court in 1960. In these cases the Court strongly endorsed voluntary "rights" arbitration to settle grievances and limited the ability of lower federal courts to second-guess arbitration decisions. Feller was a major force in organizing the Faculty Association at UC Santa Cruz, the only such association in the University of California system with bargaining rights secured in a PERB representation election.

## CONCLUSION

California remains an area of union organizing despite its economic difficulties. The health care industry, and nursing in particular, is a hotspot in current organizing drives. California's union sector is especially concentrated among public employees, however, and state and local budget problems in California will make negotiations in government difficult over the next few years. Unions in the state have developed notable clout in the political arena. Their support was important in the outcome of the 2002 gubernatorial campaign as well as many other races.

Public policy in the employment arena has supported various union objectives in recent years, including increases in workers' compensation and unemployment insurance benefits. California also has adopted the nation's only state-level policy of paid family leave. The current debate over universal health coverage for California workers is likely to be more protracted than the controversies surrounding other workplace issues have been. Because California is the largest state and often sets trends, and because federal policy in the health care area is unlikely to change in any fundamental way in the near term, any action taken in regard to health care will receive national attention.

California's economy has bifurcated the state's private sector geographically. The national slump has affected all parts of the state, but the dot-com bust has particularly depressed the Bay Area. The Southern California economy remains stronger, but a full recovery is not expected for some time. California is especially vulnerable to difficulties in the airline industry. Many of the state's workers are employed by airlines, airports, and closely related facilities and are directly affected by decreases in tourism and travel. And public-sector labor relations will be affected throughout the state by the state's ongoing budget crisis. Given the state's economic outlook, labor relations, in both public and private sectors, will be operating in a distressed environment in the immediate future.

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**APPENDIX. Selected Union Management Contracts Expiring in California in 2003,  
by Expiration Date**

<i>Employer or Contract Name</i>	<i>Union</i>	<i>Number of Workers</i>	<i>Month of Expiration</i>
Los Angeles County	MEBA	6,750	1-03
Los Angeles County	IUPA	1,250	1-03
Los Angeles County	AFSCME	2,650	1-03
Los Angeles County	SEIU	3,800	2-03
Kern County	SEIU	5,800	3-03
EBSCSM Building Maintenance Bay Area Agreement Maintenance Contractors Agreement (Los Angeles County)	SEIU	2,000	4-03
Maintenance Contractors Agreement (Orange County)	SEIU	6,500	4-03
Rockwell Semiconductor Systems	IBEW	550	4-03
Campbell Soup Co.	IBT	1,050	5-03
Glass and Glazing Contractors	PAT	800	5-03
Industrial Employers and Distributors Association	ILWU	900	5-03
National Electrical Contractors Association (Oakland)	IBEW	1,000	5-03
National Electrical Contractors Association (Santa Clara Valley)	IBEW	1,800	5-03
National Electrical Contractors Association (San Diego and Imperial Counties)	IBEW	2,000	5-03
National Electrical Contractors Association and Western Line Constructors (Northern California and Nevada)	IBEW	1,600	5-03
San Francisco Electrical Contractors Association	IBEW	1,150	5-03
San Francisco Employers Council	SEIU	5,500	5-03
Alameda Contra Costa Transit Authority	ATU	1,500	6-03
Associated General Contractors	LIUNA	14,000	6-03
Associated General Contractors	UA	9,000	6-03
Associated General Contractors, Building Industry Association, and Southern California Contractors Association	OPCM	5,500	6-03
Associated General Contractors, Building Industry Association, and Southern California Contractors Association	IBT	2,500	6-03
California Plumbing and Mechanical Contractors Association	UA	1,800	6-03
California Processors, Inc.	IBT	15,000	6-03
California State University	AFT	1,500	6-03
Catholic Healthcare West (Sacramento)	CNA (independent)	1,500	6-03
Catholic Healthcare West (San Francisco)	CNA (independent)	1,000	6-03

**APPENDIX.** (Continued)

<i>Employer or Contract Name</i>	<i>Union</i>	<i>Number of Workers</i>	<i>Month of Expiration</i>
Fresno Unified School District	SEIU	3,100	6-03
Garden Grove Unified School District	SEIU	2,500	6-03
Kern County	SEIU	5,000	6-03
Kern, Inyo, and Mono Counties Sheet Metal and Air Conditioning Contractors	SMWIA	2,200	6-03
Lodi Unified School District	NEA (independent)	1,200	6-03
Los Angeles, City of	IAFF	3,000	6-03
Los Angeles, City of	IUPA	9,300	6-03
Los Angeles County Metropolitan Transportation Authority	ATU	4,300	6-03
Los Angeles Unified School District	NEA (independent)	43,500	6-03
Mason Contractors Exchange of Southern California	LIUNA	1,200	6-03
Mechanical Contractors Association	UA	2,100	6-03
Newport-Mesa Unified School District	AFT	1,000	6-03
Northern California Mechanical Contractors Association	UA	2,100	6-03
Northern California Painters Employers Bargaining Council	PAT	1,000	6-03
Riverside County	LIUNA	2,000	6-03
Riverside County	SEIU	2,100	6-03
Sacramento County	SCEO	2,200	6-03
Sacramento County	AFSCME	550	6-03
Sacramento County In-House Supportive Services Authority	SEIU	6,350	6-03
San Diego County	SDCDSA (independent)	2,000	6-03
San Francisco, City of	IFPTE	1,800	6-03
San Francisco, City of	SEIU	3,000	6-03
San Francisco City and County	SEIU	10,000	6-03
San Francisco Community College District	AFT	1,000	6-03
San Francisco Unified School District	SEIU	1,000	6-03
San Joaquin County	SEIU	1,050	6-03
San Jose, City of	SJPOA (independent)	1,400	6-03
Southern California General Contractors	LIUNA	35,000	6-03
Southern California Painters	PAT	3,000	6-03
University of San Francisco	AFT	650	6-03
Western Steel Council	BSOIW	500	6-03
Alameda County	SEIU	6,500	7-03
Alliance of Motion Picture and Television Producers (Multistate)	IATSE	37,000	7-03
California, State of	Physicians and Dentists (independent)	1,400	7-03
California, State of	ASCME	3,750	7-03

**APPENDIX.** (Continued)

<i>Employer or Contract Name</i>	<i>Union</i>	<i>Number of Workers</i>	<i>Month of Expiration</i>
Hotel Employers' Council of Southern California	IUOE	500	7-03
Northern California Drywall Contractors Association	PAT	1,200	7-03
Paratransit Inc.	ATU	900	7-03
San Francisco Maintenance Contractors	SEIU	4,000	7-03
Stanford University, Linear Accelerator Center	SEIU	1,100	8-03
Los Angeles County	SBCTC	1,500	9-03
Los Angeles County	JCIR	1,500	9-03
Los Angeles County	SEIU	35,900	9-03
Coastal Berry Co.	Coastal Berry of California Farm Workers Committee (independent)	1,200	10-03
Long Beach Unified School District	SEIU	1,900	10-03
Retail Food, Meat, Bakery, Candy, and General Merchandise Agreement (Los Angeles)	UFCW	5,350	10-03
Retail Food, Meat, Bakery, Candy, and General Merchandise Agreement (Southern California)	UFCW	80,000	10-03
Fresno County	SEIU	3,900	11-03
General Motors Corp.	UBC	6,500	11-03
Levy Premium Foodservice	HERE	600	11-03
San Francisco Garage and Parking Lot Agreements	IBT	1,400	11-03
Pacific Rim Drywall Association	UBC	1,000	12-03
Southern California Edison Co.	IBEW	5,850	12-03
Southern California Edison Co.	UWUA	2,350	12-03
University of San Francisco	University of San Francisco Faculty Association (independent)	500	12-03

SOURCE: Bureau of National Affairs, Inc.

NOTE: A list of union abbreviations may be found at the beginning of this volume.

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