LABOR-MANAGEMENT PARTNERSHIPS

A New Approach to Improving Direct Support Jobs in California

East Bay Innovations is living up to its name.

The Oakland-based nonprofit, which provides an array of direct support services to people with developmental disabilities, recently entered an innovative labor-management partnership that Tom Heinz, executive director of East Bay Innovations (EBI), hopes will stabilize his staff of 100 and improve services to their 190 clients.

Heinz readily admits that his industry is in a crisis. In California, over 200,000 people with developmental disabilities receive state-funded services at a cost of over $3 billion per year. Support work in the “DD” industry is poorly paid with few benefits, multifaceted duties and little training. This, in turn, leads to extremely high turnover (46 percent at EBI) and ultimately lowers service quality. In California, over 100,000 direct support DD workers have jobs with 8,000 private agencies or with the 30,000 families who directly organize services for their minor or adult children. Small agencies often lack business expertise and face high administrative costs, provide only very minimal on-the-job training and are unable to provide career advancement opportunities.

Heinz takes seriously his organization's mission to serve the DD population, and has struggled to find ways to improve jobs and, by extension, service. Explained Heinz, “We provide services to people to live in their own homes, so the turnover is really hard for the people we serve. We were looking for a path to improve that situation.”

Enter the Consumer Directed Service Network.

CDSN: A New Approach

Absent state action to address the staffing crisis on a sector-wide basis, creativity and innovation have had to emerge from the bottom-up. The Consumer Directed Service Network (CDSN) is a new initiative, whose design is largely based on the recommendations of Labor Center Senior Labor Policy Specialist Carol Zabin. CDSN incorporates a three-pronged approach to reforming the direct support DD service industry.

(Continued on page 10)
Health-Care Reform Still Urgently Needed

While the most recent efforts for comprehensive health reform failed in California, the crisis in our health-care system remains. The share of Californians with job-based coverage is five percentage points lower than it was six years ago. Over the course of this year, more than 6.5 million Californians will go without health coverage.

Health care remains front and center in labor negotiations. Health premium costs continue to rise faster than workers’ earnings and overall inflation. Unions continue to face defensive battles to retain the current level of health benefits, and find themselves trading off wage increases in order to do so. High health-care costs continue to impact the competitive position of unionized firms. The problems of health care in America cannot be solved at the bargaining table alone.

Whatever any individual or union position was on the particular legislation in California, there should be no question that the need to continue working to resolve the health-care crisis remains.

Pointing to the failure of many recent state reform efforts, some commentators argue that the focus must turn to the national level. Indeed, there are a number of hopeful signs for national reform. Health care is likely to be a major issue in the fall election and beyond. But it is important to keep in mind that any national-level reform will require 60 votes in the Senate, so the prospects will depend heavily on the composition of the new Senate. Whatever the case, we should expect that state and local governments will rightly continue to be important venues for policy innovation.

The current budget crisis makes state health reform efforts both more difficult and more necessary. While universal coverage may be farther down the road, incremental steps can be taken to begin to control costs and to pave the way for future reforms. AB 2967 (Lieber) would require greater transparency from doctors, hospitals and HMOs on health-care costs and quality outcomes. This would allow union health trusts and other consumers to make more informed decisions on how their health-care dollars are spent. Better cost and quality reporting is an important first step in any effort to control costs. Other bills are aimed at reforming and regulating the individual insurance market, restricting insurers’

“Unions find themselves trading off wage increases in order to retain the current level of health benefits.”

ability to rescind individual health-care policies and expanding coverage to children.

On a positive note, the City and County of San Francisco received an emergency stay from the 9th Circuit Court of Appeals allowing the San Francisco Health Care Security Ordinance to go into effect while the court considers a lawsuit from the Golden Gate Restaurant Association. The San Francisco Labor Council, SEIU and UNITE HERE Local 2 joined San Francisco as respondents in the case. The first employers began to make health-care payments under the ordinance in April.

The health-care debates are far from over.

KEN JACOBS
Labor Center Chair
Assessing the Impact of Paid Sick Day Legislation

BY KOREY CAPOZZA, LABOR CENTER PRINCIPAL HEALTH POLICY ANALYST

Paid time off from work to recover from illness or care for a sick family member is an employment benefit that most salaried professionals in California currently enjoy. However, a surprisingly large proportion of California workers—40 percent of all workers and 76 percent of low-wage workers—don’t have access to paid sick days.

In February, Assemblywoman Fiona Ma (D-San Francisco) introduced AB 2716, a bill that would address this gap by extending paid sick leave to all workers. The legislation, which was co-sponsored by the California Labor Federation and ACORN, would guarantee both full-time and part-time workers up to nine days of paid leave per year.

Partnering with the Institute for Women’s Policy Research in Washington, D.C., the Labor Center is conducting research on the costs and benefits of AB 2716. Our work examines how the legislation would impact businesses in California and address public health issues such as disease control and prevention.

Research suggests that guaranteed paid sick leave could reduce employee turnover, decrease disease outbreaks in nursing homes, schools and restaurants, and mitigate the spread of seasonal influenza.

One key benefit of paid sick leave is that it allows workers who care for children, the infirm and the elderly to take time off to recover from illness, thereby protecting these vulnerable populations from unnecessary exposure to infectious agents. For example, one study found that the risk of gastrointestinal or respiratory outbreaks in nursing home settings can be mitigated if employees have access to paid sick time. It showed that nursing homes with paid employee sick day policies had a one-third lower risk of experiencing a gastrointestinal or respiratory disease outbreak than those that did not.

Extending paid sick leave to food service workers could have a significant impact on foodborne disease outbreaks. Only 15 percent of workers in restaurants and food-processing plants currently have access to the benefit, and more than half of the outbreaks reported to the Centers for Disease Control and Prevention (CDC) occur in restaurants.

“Workers shouldn’t have to lose a day’s wages in order to stay home to take care of themselves or their sick children,” said Netsy Firestein, executive director of the Labor Project for Working Families, which is organizing the grassroots advocacy campaign around AB 2716. “This legislation will ensure that all working Californians have access to this basic benefit.”

San Francisco was the first locality to pass a paid sick days bill when voters approved Measure F in 2006. Since then, movement on the issue has been heating up, and a dozen states are now considering legislation. On March 4, the Washington, D.C. City Council approved a bill that would require most employers to provide paid sick days to workers, thus becoming the second city to pass such legislation. Meanwhile, federal legislation (S 910) was introduced by Senator Ted Kennedy (D-MA) in March 2007.

For more information, visit the Labor Project for Working Families website: www.working-families.com.
Labor and Global Warming Legislation
How Will Unions and Working People be Affected?

BY ANDREA BUFFA, UC BERKELEY LABOR CENTER

The state of California is about to begin implementing some of the strongest anti-global warming legislation in the country. AB 32, the Global Warming Solutions Act, will potentially bring with it important changes for labor. According to Labor Center Senior Labor Policy Specialist Carol Zabin, the impacts of climate change legislation like the Public Utility Commission’s efforts to make California buildings more energy efficient.

Apollo Alliance Western Regional Director Carla Din outlined the economic sectors that may be affected by AB 32. She said that the Air Resources Board expects impacts on agriculture, electricity, land use, manufacturing (of cement and semi-conductors), forests, oil and gas refining, transportation, waste and landfills. She encouraged labor unions to get involved with the AB 32 implementation process: “I see it as an opportunity to capitalize on this momentum in the state and in the nation—you have the skills and you have the experience to direct the state in how we can do this right,” Din said.

Andrew Hoerner, Sustainable Economics Program director at the Oakland-based nonprofit Redefining Progress, believes that with a “well-designed implementation plan,” AB 32 could have a positive impact on job creation in the state. One of the major implementation issues is how to avoid economic disadvantage for products produced in California that are competing with products produced in states without similar environmental regulations. Another major issue is the consideration of a cap and trade system that would cap the amount of carbon emitted in California and allow firms to trade carbon credits. If California does implement a cap and trade system, there are questions about whether or not current carbon emitters will be grandfathered in, or whether permits will be auctioned off and how the auction funds will be spent. A final major issue is how to ensure that workers receive appropriate training for new jobs that are created in the green economy.

The California Labor Federation’s Workforce and Economic Development Program (WED) is following the AB 32 implementation process closely and is working to get affiliates to develop common goals and principles around AB 32 implementation. The Fed’s Peter Cooper said, “For labor, we need to look at both the opportunities from the new economy and also the concerns that a lot of our affiliates have, that there really will be some job losses and new skills needed.”

Workers installing a solar hot water heating system. Photo by Charles Youngflesh, courtesy of High Country Builders.
In addition to getting Fed affiliates involved in AB 32 implementation, Cooper and the other staff at WED are looking at the workforce development needs that are arising in the green economy. They want to make sure apprenticeship programs are incorporating green jobs skills, and green jobs training funds go to programs that include labor union involvement and have a pipeline set up to connect trained workers to actual jobs.

Jay Hansen of the California State Building and Construction Trades Council said the building trades are expecting a large number of jobs will be created by retrofitting buildings for energy efficiency and are projecting a shortage of trained workers. To address this shortage, Hansen is encouraging the re-introduction of career tech programs into high schools. Those programs could train many new workers for entry-level green jobs, as well as address the huge problem of the California high school dropout rate.

Hansen and others are working with State Senator Darrell Steinberg on a future bond measure that would fund green tech programs in high schools. But for the time being, Hansen encourages labor to make sure they have a seat at the table during negotiations on climate change implementa-

“**We should seize this environmental challenge and make it an economic opportunity.**”

New Grants

**Exploring the Impact of the Green Economy on California’s Workforce**

Funded by the UC Labor and Employment Research Fund, this grant will be used to host a conference for academics, labor unions, employers, green businesses, workforce development specialists and community groups from around California to address the research, technical assistance and communication needs in the development of a “green” labor market. This conference is a track at the California Labor Federation’s Workforce and Economic Development Conference in June 2008.

**Organizing in the Home- and Community-Based Care Industries**

Funded by the UC Labor and Employment Research Fund, this research will document unionization efforts in the care industries through case studies of home care, child care, and services for people with developmental disabilities (DD).
Living Wage Policies and Wal-Mart

BY KEN JACOBS, LABOR CENTER CHAIR

As Wal-Mart tries to expand into urban areas, it faces challenges from community groups and labor unions that have a variety of concerns about the company. Multiple cities and counties have passed laws restricting or conditioning big box retail developments.

These laws raise important questions for policymakers and advocates. Do big box retailers like Wal-Mart create new jobs or replace existing jobs? Do the jobs pay more or less than those they replace? Are living wage policies effective tools for improving the quality of big box retail jobs? Or will living wage policies aimed at big box retailers backfire by causing retail stores to raise their prices, thereby harming poor and low-income shoppers?

Researchers from UC Berkeley, including Labor Center and IRLE researchers, and UMass took on these questions in two new studies that were just released in December 2007.

Wal-Mart expansion impact on retail wages and benefits

The study looks at the period between 1992 and 2000. During this time, Wal-Mart grew from 1,800 US stores to 2,500, an increase of almost 40 percent. By the end of the 1990s, more than half the counties in America had a Wal-Mart in them, and some had many more.

The study finds that the opening of a single Wal-Mart store in a county lowers average retail wages in that county by between 0.5 and 0.9 percent. In the general merchandise sector, wages fall by 1 percent for each new Wal-Mart. And for grocery store employees, the effect of a single new Wal-Mart is a 1.5 percent reduction in earnings.

At the state level, for every 50 Wal-Mart stores in a state, the average wages for retail workers are 10 percent lower, and their job-based health coverage rate is 5 percentage points less than it would have been without Wal-Mart’s presence. There currently are 50 Wal-Marts on average per state. At the national level, the study concludes that in 2000, total earnings of retail workers nationwide were reduced by $4.5 billion due to Wal-Mart’s presence.

The researchers also investigate (and reject) the possibility that wage declines were an artifact of changes in the demographics of the retail workforce. Controlling for age, gender, ethnicity and education did not change the results.

Overall, the results strongly support the view that Wal-Mart entry lowers wages and benefits of retail workers. The results are strongest in metropolitan areas, which is one of the reasons that urban areas have been the locus of opposition to the retailer’s expansion.

“A big box living wage ordinance would be an effective policy tool to aid low-income families while having a very small impact on consumer prices.”
Impact of a big box living wage ordinance

If we accept that Wal-Mart lowers wages and benefits, the next question is what would happen if Wal-Mart were to improve compensation?

In “Living Wage Policies and Wal-Mart: How a Higher Wage Standard Would Impact Wal-Mart Workers and Shoppers,” authors Arindrajit Dube, Dave Graham-Squire, Ken Jacobs and Stephanie Luce assess how big box retail affects low-income families by comparing the impact of a living wage ordinance on Wal-Mart workers and consumers. The study analyzes how much it would cost Wal-Mart to implement a $10 per hour minimum wage, how the wage increase would impact workers and how much Wal-Mart’s prices would increase if the company passed on the wage increase in full to shoppers in the form of price increases.

The study finds that if Wal-Mart were compelled to pay a minimum of $10 per hour to all workers, nearly half (46.3 percent) of the pay increase would go to workers in families with total incomes below 200 percent of the federal poverty level. These poor and low-income workers could expect to earn an additional $1,020 to $4,640 a year in income for each Wal-Mart employee in the family, before taxes.

Another important question to address is how a big box living wage ordinance would affect consumer prices charged by Wal-Mart. If Wal-Mart passed on the entire wage increase of a $10 per hour minimum wage to consumers through price increases—a highly unlikely scenario—the researchers find that the price increase would amount to 36 cents per shopping trip for the average Wal-Mart consumer, or $9.70 per year.

This study also looks at what the price increase would mean to the poor and low-income people who shop very frequently at Wal-Mart. Poor and low-income families account for 3.4 percent of the highest spending group of Wal-Mart shoppers. If Wal-Mart completely passed through a wage increase to its consumers, those low-income, frequent shoppers would end up paying about $1.47 more per shopping trip. The price increase would amount to $87.98 per year.

The study authors conclude that a big box living wage ordinance would be an effective policy tool to aid low-income families while having a very small impact on consumer prices. It would provide significant, concentrated benefits to workers, while the costs would be dispersed in small amounts among many consumers across the income spectrum.

The two studies described in this article can be downloaded at http://laborcenter.berkeley.edu.
Labor Education News

PopFest: New Frameworks to Build & Win

On February 21 and 22, 2008, the Labor Center convened 50 members and staff from Bay Area labor unions, community organizations and activist student groups to learn popular education techniques that can be used to develop new leaders, build successful collaborations and win organizing campaigns. SEIU 1021, CSEA, UFCW 5, AFSCME 3299, ACORN and POWER all participated and will reconvene in August to share what they have learned through using pop ed in the context of their campaigns.

Eight student representatives who are part of a UC Berkeley class sponsored by the Labor Center and the Department of Ethnic Studies also participated in PopFest. These students are in the process of developing a class on student organizing that they will offer during the Fall 2008 semester through the Program in Democratic Education at Cal, also known as DeCal. They used their time at PopFest to learn new ways of thinking about education and organizing, as well as to move forward efforts to create a Student-Labor Coalition on campus. Students came from the labor department of ASUC (the student government organization), Students Organizing for Justice in the Americas, Xinaxtli (known as MEChA de UC Berkeley until 2002) and the Student Worker Action Group.

Sessions at PopFest were guided by renowned popular educators Pancho Arguelles, Bev Burke, Jojo Geronimo, John Hurst, D’Arcy Martin and Carol Wall.

Jojo Geronimo introduces the “Political Weather Report,” a tool designed to understand the nuances of political moments, movements and players.

Khanh Tran and Lorena Torres participate in an exercise in which they share with each other details of their backgrounds and learn that, just as corporations have gone global, we must be connected internationally.

Popular education can be used to help audiences understand complicated economic policies that are often presented in language geared more toward investors than working people. Here, participants feel the squeeze of decades of policies that have increased this country’s “Wealth Divide.”

D’Arcy Martin shares a technique to illustrate how each person’s vision of the world is influenced by his or her age, culture, origins and ancestors.
Other Recent Labor Center Trainings

“I’ve been telling our general manager that our whole staff should go to the CLOI training.”
—Audrena Redmond, California Faculty Association, 2008 CLOI participant

Above: The 2008 California Lead Organizers Institute class, our yearly leadership school for labor and community organizers, conducted with the Center for Third World Organizing. Right: At our ever popular two-day Media Skills Training, Graciela Guitron of Teamsters Local 572 practices her on-air interviewing skills.

City College of San Francisco Labor and Community Studies Update
by Bill Shields, Chair

The conference we co-hosted with the Southwest Labor Studies Association in November, “Educating for Justice—Teaching for Labor and Community Power,” was a success. Among the over 100 attendees were labor educators from many area unions and workers centers and from all regional labor centers. Keynote speakers Dolores Huerta, Bill Fletcher, Jr. and Nelson Lichtenstein inspired and enriched our thinking on the role of labor education in our era. Panelists on the 13 workshops discussed topics such as union, worker center and school center best educational practices, student-worker solidarity, art and labor education, early California Latino political organizing, labor in the schools and fighting poverty by creating good union jobs. Labor Center staff Steven Pitts and Karen Orlando made well-received panel contributions, as did board members Fred Glass, Karin Hart and Bill Shields. Aztec dance troupe Danza Xitlalli helped inaugurate the conference at the college’s new Mission Campus where we met. Conference events included stirring singing by Alex and Harriet Bagwell, a wonderful tour of Mission District murals by renowned local muralist Juana Alicia and a Friday night performance which ranged from the Labor Heritage Chorus to the Pena-Govea Family Band and Filipino rapper, Kiwi, to a rousing finale that got everyone on their feet and dancing with Carnaval dance troupe, Fogo Na Roupa.

The conference was the launching activity of the Northern California Labor and Community Educators Network, in which many attendees expressed interest. Its next meeting will be this spring. For more information, contact us at 415-550-4473 or wshields@ccsf.edu.
A New Approach (Continued from page 1)

1. An Infrastructure for Workforce Development
CDSN is a “workforce development intermediary” that helps small and medium-size agencies in California address the very specific recruitment, retention and training issues facing this field. CDSN provides training for direct support workers who are highly dispersed and isolated but perform complex support work. These workers are accountable not just to their employer but also to the consumer they serve, and often to his or her family as well. With assistance from the UC Berkeley Labor Center and University of Minnesota, CDSN has designed a training program that accommodates these particularities and needs. CDSN’s investment in a multi-employer training infrastructure is made possible through foundation grants, partnerships with public universities and agency fee for service, and will eventually tap into public training and education funds.

East Bay Innovations is CDSN’s first customer. CDSN has conducted a recruitment and staff retention assessment for EBI, from which it provided a list of interventions to improve the turnover rate. Explained Heinz, “CDSN found that there was a lot of turnover in the frontline supervisory position, which led to inconsistencies in supervising. Staff members found this frustrating and cited it as a cause of unhappiness with their job. With CDSN’s help, we’ve started a frontline supervisor training and see it as a first step in addressing the turnover problem.”

Heinz continued, “What I learned through involvement with CDSN is that low wages is just one part of the puzzle, but also providing training will give the job some depth. With good training and decent wages, people will start seeing this as a real career.”

CDSN is poised to launch a full array of training and human resources services for EBI, including an entry level training program, as well as a human resources information system that will streamline recruitment, payrolling and benefits administration.

2. An Agenda for Legislative Reform
CDSN is also trying to tackle the most challenging obstacle to overcoming the staffing crisis: low wages. It has come up with a strategy to use the goal of legislative reimbursement-rate reform to create incentives for stabilizing and professionalizing the DD workforce. CDSN sponsored legislation (AB 1427) in 2007 to allocate funds for rate increases for agencies that met specified benchmarks for training their workforce. The bill was passed by the legislature, but was vetoed by the Governor. The bill gained the support of major consumer advocacy groups and SEIU, and sets the stage for future efforts to fund training linked to improvements in worker compensation.

3. Creating Partnerships for Power
CDSN is uniting the political voices of people with disabilities, families and advocates, agency providers and labor organizations. It seeks cooperative relationships with all stakeholders, including organized labor, because convincing policymakers of the importance of passing this type of legislation will require joint stakeholder advocacy. In the past, the voice of workers has been absent in policy debates in this sector, which has significantly weakened the potential for rate reform. Since CDSN seeks to promote a worker voice in this industry, it requires that agencies receiving its services remain neutral if their workers seek representation from a labor union.

SEIU and EBI
In September 2007, EBI’s direct support staff members voted overwhelmingly to be represented by SEIU. Workers see union membership as a possible antidote to the isolation they face as community- and home-based workers. Rebecca Sugars, an EBI employee who is serving on the contract negotiating committee, said, “I think the union will help workers have more input, will give the workers a platform. The union gives the workers more power and this might make people want to stay in the company longer.”

Michael Yang, another EBI employee who serves on the negotiating team, agreed: “I think highly of the management at EBI, but we all work separately; there
is not a lot of interaction between workers, so we don't know how others feel. So part of being organized in a union is we get to talk amongst ourselves and figure out what could be better."

Though EBI committed to union neutrality in order to partner with CDSN, Tom Heinz admits to having had some trepidation about his workers voting to join the union. “My fear was that the union would rally the staff to an adversarial view of management. But that hasn’t turned out to be true at all. We were worried that when we had to take disciplinary action against someone, it would somehow be harder with the union in place. But actually, the union has been helpful in clarifying the employees’ viewpoints and working out solutions that are positive for both the management and the staff.”

Around the issue of wages, Heinz said that EBI and SEIU have committed to working together for reform legislation to increase reimbursement rates and thus wages. As Michael Yang explained, the prospect of increasing wages for DD workers is vastly improved with unionization. “SEIU knows a lot more about how to work with the government. The EBI workers are all so busy serving clients, they don’t know how to advocate for better funding.”

A Model for Better Services
The CDSN initiative is a comprehensive strategy for stabilizing and professionalizing the direct support workforce that has great promise to not only improve the lives of the direct support workers, but also the lives of the people with disabilities it supports. CDSN is reaching out to other agencies in the hopes that they will follow EBI’s example and join this innovative partnership.


Events and News

Trainings

Strategic Campaigns
This five-day workshop is for organizers and negotiators who will enter the workshop with a problem and emerge with a plan for launching a campaign to win victories for members and the union. Monday–Friday, July 21–25, 2008, at the IRLE Building in Berkeley. Deadline for applications is June 20. For information or to register, visit http://laborcenter.berkeley.edu, or contact Cheryl Brown at cherylbrown@berkeley.edu or 510-642-1851.

Upcoming Events

Book Event: New York Times labor reporter Steven Greenhouse discusses his new book, The Big Squeeze: Tough Times for the American Worker, which explores why, in the world’s most affluent nation, so many corporations are intent on squeezing their workers dry. Friday, April 25, 12:00 noon, at the IRLE Building in Berkeley. For information contact Andrea Buffa at 510-642-6371 or andreabuffa@berkeley.edu.

Staff Transitions

The Labor Center welcomes new Program Assistant Angelique Agloro, who helps organize our trainings, workshops and events. As an undergraduate at UC Davis, Angelique founded the Student Labor Coalition while interning with AFSCME Local 3299. She was also a CLRE Labor Summer intern with SEIU Local 817. After graduating, Angelique went on to work at Local 817 (now part of SEIU 521) as a field representative and union organizer. She later worked as an organizer with the janitors of the South Bay at SEIU Local 1877.

We say good-bye to Business Manager Kendall Moalem, who has accepted another position on campus, and Program Assistant Caitlin Healy, who leaves us for a long-planned year-long adventure learning organizing skills and Spanish in Venezuela and other parts of South America.
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