

**Summary Comments by Pam Haynes, on Behalf of the California Labor Federation
in Preparation for Testimony in Support of the Governor's Reorganization Plan
Establishing the California Labor and Workforce Development Agency**

Submitted to the Little Hoover Commission, March 19, 2002

Opening Remarks

California is the fifth largest economy in the world. As stated in the introduction of the Governor's Reorganization Plan, California is "one of two major industrial states without a cabinet-level labor agency modeled after the federal scheme". Because of the current structure, there is limited and ineffective coordination, uneven labor law and standards enforcement, and an inability to coordinate and share research data and analysis between and even within departments. Separately, these departments have been unable to coordinate policies that take a long view approach to labor law and workforce development. The current system supports dysfunction. What results is a system that fails to support millions of working men and women in California.

Ability to Coordination Functions

We believe that the Governor's plan to reorganize the Department of Industrial Relations (DIR), the Employment Development Department (EDD), the Agricultural Labor Relations Board (ALRB) and the California Workforce Investment Board (WIB) is a move in the right direction and one that we support. We believe that this new agency will be in a better position to coordinate policy and strategy to prepare California's workers for the future, connect them with employers and ensure a safe and healthy workplace.

Labor Law, Health and Safety and Standards Enforcement

California's labor protection laws are worthless unless they are enforced. Increasingly, hundreds of thousands of California workers find themselves in the underground economy working for employers who disregard wage and hour laws, health and safety regulations and working conditions.

The Federation and its affiliate unions have worked for decades to protect the rights of employees with some of the toughest standards in the country – regarding wages and hours, health and safety, and workplace conditions. And yet, those workers who do report labor law, health and safety, and wage and hour violations; are stymied by administrative barriers.

An example where the lack of enforcement of health and safety and wage laws is most pronounced is among California's low-income workers who are non-English or limited English speakers. These workers are seriously undermined by language barriers within the DIR and the EDD. There have been laws on the books for 30 years requiring

language access. And yet, there has been no move to prioritize bi-lingual resources, translate vital documents or centralize resources to address these department's needs.

Many of these barriers are due to a lack of coordination across departments, poor and antiquated tracking systems and departments that appear to work at cross-purposes, because they fail to integrate those areas in which there is overlap. We believe this failure evolves out of there being no policy body that has the mandated authority, discretion or vision to bring these departments together in any cohesive way.

The Governor's reorganization plan has the potential to increase state enforcement of labor laws already on the books, and to hold employers accountable when they violate those laws. Workers should have a reasonable expectation that they will be protected from scofflaw employers.

Workforce Development, Job Training & Career Ladders

As it currently exists, the state's workforce development efforts are little more than disconnected and hard to access services ranging from apprenticeship and job training to core employment and educational activities. There is little or no evidence that these services are connected to a job. We believe that bringing WIB within the Agency offers the administration an opportunity to promote access and accountability, to eliminate duplication and to achieve cost efficiencies while developing a cohesive and coordinated workforce development system.

We believe that workforce development can be the turnkey to sustained economic growth. But a primary principle must be the guide: a workforce development system that encourages the creation of quality jobs that pay a living wage; that upgrades of skills; and encourages and creates career ladders. California's workers must have the ability to not just find any work but to seek out training that will enhance their opportunities to build a successful career over the course of their working lives. This is the only way to effectively measure success.

We believe that the WIB system would be improved if there were more coordination with other economic development initiatives in conjunction with coordinating efforts with local WIBs throughout the state.

Research/Data Collection

The Federation has had very little success at securing requested research data from the EDD and the DIR. This is certainly true when the requests are in areas that would assist us in focusing on specific forces driving a particular industry. In some cases, the data is difficult to secure because it is scattered over more than one department. In other cases, the data is embedded within technologically antiquated systems and must be manually extricated. And in still other cases, the data isn't collected or research doesn't exist within any department. Additionally, there is a tendency not to use academic and other outside institutions to assist in research projects.

We would argue that currently individual units within these departments work at cross-purposes and that the current system fails to guide program planning or workforce development. We believe that coordinating research and data collecting activities between these and other departments will result in focusing on more relevant information on California's workforce and economy.

Conclusion

We continue to support those efforts that ensure that workers are paid for a days work and are working in safe and healthy work environments. We continue to advocate for creating jobs that pay a living wage; that encourages upgrading one's skills and creates job advancement through career ladders. We support efforts that disclose labor law violations and that allow greater public scrutiny of employers who fail to follow the law.

The Governor's plan to establish a Labor and Workforce Development Agency is the product of years of struggle by our unions, and will, hopefully, coordinate labor and employment policy between the various state departments and commissions. We are optimistic that the new agency will help improve the enforcement of labor laws, create an effective and accountable workforce development system and integrate research and data capabilities. That this will be accomplished through a cohesive, strategic and coordinated policy direction that results in a shared common purpose.