

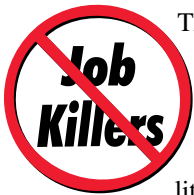
# ALERT

VOLUME 42, NUMBER 20 • JUNE 24, 2016



## Assembly Committee Delays Vote on Job Killer Bill

*Chamber Opposition, Business Owner Testimony Help*



The Assembly Judiciary Committee this week delayed voting on a job killer bill that if passed, will expose businesses to costly litigation when goods are

“substantially similar,” yet priced differently.

The bill, **SB 899 (Hueso; D-San Diego)**, sponsored by the Consumer Federation of California, could subject businesses to a minimum \$4,000 of damages for each violation.

SB 899 intends to force retailers and grocery stores to charge the same price for “male” versus “female” products, which will require the sellers to either engage in gender stereotyping of con-

sumer goods or increase prices to the highest price for a good of “substantially similar or like kind,” as well as expose these employers to the same costly, drive-by litigation that has been plaguing businesses in California with regard to disability access.

### Costly Litigation

Although recent amendments to SB 899 provide a limited list of “gender-neutral” reasons a good may be priced differently, proof of those reasons will come up only after litigation has already been filed and costs and attorney’s fees incurred, CalChamber Policy Advocate Jennifer Barrera explained to the committee on June 21.

*See CalChamber Opposition: Page 4*

## Loan Access for Small Business Moves in Assembly



An Assembly committee this week gave unanimous approval to a California

Chamber of Commerce-supported job creator bill expanding loan access for small businesses.

**SB 936 (Hertzberg; D-Van Nuys)** encourages creation of small businesses by expanding their access to loans, which helps them grow.

The bill expands the availability of loans through the Infrastructure and Economic Development Bank’s (IBank) California Small Business Loan Guarantee Program.

The program helps businesses create and retain jobs. The bill promotes statewide economic development by supporting loans to small businesses that would not otherwise qualify.

Small businesses establish a favorable credit history with a lender under this program and then are able to obtain future loans on their own. The program has been in place since 1968 with almost no defaults.

SB 936 increases the IBank’s ability to leverage state and federal funding, thus incentivizing private lending and economic investments. The loan guarantee program uses state and federal funding to create a loan loss reserve, which reduces the risk of lending to small businesses.

*See Loan Access: Page 4*



Jose Paniagua, owner of Chic Hair Studio in Riverside, describes for CalChamber Policy Advocate Jennifer Barrera the lawsuit he faces due to charging differently for a man’s and a woman’s haircut based on labor cost.

### Inside

**Job Killer Leave Bill Fails: See Page 3**

*Labor Law Corner*

**Request to ‘Cash Out’ Unused Sick Leave Raises Questions for Employer**



**David Leporiere**  
HR Adviser

*Last July 1, my company gave all of our employees 24 hours of sick leave in a lump sum in order to comply with the new sick leave law. I have had several employees approach me and ask if they can be cashed out of the sick leave hours they have not used this year. Can I cash out the remaining sick leave balances, or must the employees lose their unused sick leave hours?*

The Healthy Families, Healthy Workplaces Act (Act) does not require employers to cash out sick leave either during employment or at the time of separation from employment.

The Act does not directly address the situation in which an employer might wish to cash out employees for their unused sick leave. The Act, however, does state that sick leave which is accrued must be allowed to carry over to the following year (Labor Code Section 246(d)). The Act goes on to state that an employer may limit the total accrual of sick leave to 48 hours (Labor Code Section 246(i)).

In the situation where the employer has provided its employees with a lump sum of sick leave, there is nothing in the Act that would specifically preclude an employer from giving its employees the cash value of the year’s unused sick leave once the employee has been provided with the next year’s lump sum of sick leave benefits.

This can be done only once the year is over and the employee already has received his/her next year’s benefit. It cannot be done before the completion of the year in which the employee is entitled to use the sick leave.

**Accrual-Based Sick Leave**

If you were an employer that utilized an accrual-based method for providing sick leave, and your policy limited accrual

to 48 hours a year and use of sick leave to 24 hours a year, the issue would be more complicated. If you were to cash out an employee’s accrued sick leave such that the employee had less than 48 hours of sick leave in his/her sick leave account, you may be in violation of the Act.

Labor Code Section 246.5(c) states that an employer shall not deny an employee the opportunity to use his/her accrued sick leave. In that the law requires employers to allow employees to accrue up to 48 hours of sick leave, if the employer provides cash in lieu of the sick leave time off that is allowed to accrue under the law, the employer may be considered to have denied the employee the opportunity to use the sick leave. As a result, before cashing out accrued sick leave, we strongly recommend consulting with legal counsel.

Due to the uncertainty in this area of the law at the current time, we suggest consulting with your company’s attorney if you have a paid sick leave policy that allows employees to cash out those benefits during employment.

*The Labor Law Helpline is a service to California Chamber of Commerce preferred and executive members. For expert explanations of labor laws and Cal/OSHA regulations, not legal counsel for specific situations, call (800) 348-2262 or submit your question at [www.hrcalifornia.com](http://www.hrcalifornia.com).*

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**CalChamber-Sponsored Seminars/Trade Shows**

More at [www.calchamber.com/events](http://www.calchamber.com/events).

**Labor Law**

Leaves of Absence. CalChamber. August 16, Sacramento. (800) 331-8877.

HR Boot Camp. CalChamber. September 7, San Diego; September 22, Sacramento. (800) 331-8877.

**International Trade**

The Future of North American Trade.

Orange County Hispanic Chamber of Commerce. July 19, Garden Grove. (949) 891-1464.

U.S. Food and Drug Administration New Automated Entry Process. Los Angeles Area Chamber of Commerce and Port of Los Angeles. July 20, San Pedro. (310) 732-7765.

Japan-U.S. Innovation Awards. Japan Society of Northern California. July

22, Stanford. (415) 986-4383.

TradeX-Trade Connect. Port of Los Angeles and Orange County Small Business Development Center. August 9, Mission Viejo. (310) 732-7765.

California Pavilion Hong Kong Food Expo. Hong Kong Trade Development Council. August 11–13, Hong Kong. (916) 563-3222.

Global Cultural and Business Practices. Port of Los Angeles. September 14, Santa Clarita. (310) 732-7765.

G-20Y Summit. G-20Y Association. September 21-25, St. Moritz, Switzerland.

2016 Public Forum on “Inclusive Trade.” World Trade Organization. September 27–29, Geneva, Switzerland.



## CalChamber Opposition Helps Stop Job Killer Leave Mandate



A job killer bill that would have overwhelmed small businesses with administering a new protected leave of absence and subjected them to threats of costly litigation for any alleged violations, failed to pass the Assembly Labor and Employment Committee on June 22.

**SB 1166 (Jackson; D-Santa Barbara)** would have unduly burdened and increased costs of small employers with as few as 10 employees, as well as large employers with 50 or more employees, by requiring 12 weeks of protected employee leave for maternity or paternity leave.

SB 1166 labels an employer's failure to provide the 12-week leave of absence as an "unfair employment practice." This label is significant as it exposes an employer to costly litigation under the Fair Employment and Housing Act (FEHA). An employee who believes the employer did not provide the 12 weeks of protected leave, failed to return the

employee to the same or comparable position, or did not maintain benefits while out on the 12 weeks of leave, could pursue a claim against the employer seeking compensatory damages, injunctive relief, declaratory relief, punitive damages, and attorney's fees.

To the extent the new protected leave created by SB 1166 was interpreted or implemented in a manner different from the Family Medical Leave Act (FMLA) or California Family Rights Act (CFRA), it could also create the potential opportunity for an employee who works for large employers to receive more than 12 weeks of protected leave in a 12-month period, which is a concern Governor Edmund G. Brown Jr. raised in his veto of SB 406 (Jackson; D-Santa Barbara) last year.

"I agree that it's important for a child to be with their parents and that they shouldn't be put into day care at an early age," CalChamber Policy Advocate Jennifer Barrera said in her committee testimony. "But at the same time, there has to be a balance with regards to the private business sector as well, so that we can continue to grow our economy."

In a statement reported by KQED, committee Chair Roger Hernández said he had some disagreements with Senator Hannah-Beth Jackson about this bill. And while he agrees parental leave is an important issue, he said small businesses are facing many new requirements.

"We've had some significant victories in recent years—increasing the minimum wage, passing paid sick days, and in other areas. In light of these new requirements, we need to look for balance," he said. "I have concerns about the burdens that will be faced by employers with 10 or more employees in complying with this new leave requirement."

### Key Vote

SB 1166 failed to pass Assembly Labor and Employment on a vote of 2-1:

Ayes: McCarty (D-Sacramento), Thurmond (D-Richmond).

**No: Patterson (R-Fresno).**

Absent, Abstaining or Not Voting: R. Hernández (D-West Covina), Chu (D-San Jose), Linder (R-Corona), O'Donnell (D-Long Beach).

**Staff Contact: Jennifer Barrera**

## Some Local Minimum Wage Increases to Take Effect July 1

Although the next increase in the California minimum wage is still six months away, a number of local minimum wage hikes are set to take effect on July 1, 2016.

Following is a list of the cities (and one county) that will be increasing the required minimum wage on July 1. Eligibility rules may vary from city to city:

- El Cerrito: \$11.60/hour.
- Emeryville: \$13/hour for businesses with 55 or fewer employees; \$14.82/hour for businesses with 56 or more employees.

• Los Angeles (city): \$10.50/hour for employers with 26 or more employees; \$15.37/hour for hotel workers. Increase delayed until 2017 for employers with 25 or fewer employees.

- Los Angeles County: \$10.50/hour

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**OFFICIAL NOTICE**

**San Francisco Minimum Wage**

*Rate Effective July 1, 2016*

**Minimum Wage Rate**

**\$13.00** PER HOUR

**Beginning July 1, 2016, all employers must pay to each employee who performs work in San Francisco (including temporary and part-time employees) wages not less than \$13.00 per hour.**

The minimum wage requirement, set forth in the San Francisco Minimum Wage Ordinance, Chapter 12R of the San Francisco Administrative Code, applies to adult and minor employees who work two (2) or more hours per week.

Under the Ordinance, employees who assert their rights to receive the City's minimum wage are protected from retaliation. Employees may file a civil lawsuit against their employers for any violation of the Ordinance. The City can investigate possible violations, shall have access to payroll records, and can enforce the minimum wage requirements by ordering reinstatement of employees, payment of back wages unlawfully withheld, and penalties.

If you should have any questions or require additional information, please contact your employer or the Office of Labor Standards Enforcement (OLSE) at (415) 554-6292 or email [MW@sf.gov](mailto:MW@sf.gov).

**San Francisco is just one of several local jurisdictions where the minimum wage will increase on July 1.**

for employers with 26 or more employees. Increase delayed until 2017 for employers of 25 or fewer employees.

- Pasadena: \$10.50/hour for employers with 26 or more employees. Increase

delayed for employers of 25 or fewer employees.

- San Diego: \$10.50/hour (effective July 11).
- San Francisco: \$13/hour.
- Santa Monica: \$10.50/hour for employers with 26 or more employees; \$13.25/hour for hotel workers. Increase delayed to 2017 for employers with 25 or fewer employees.

- Sunnyvale: \$11/hour.

A number of other cities already have minimum wages that differ from the state minimum wage.

A [chart](#) listing local ordinances that contain minimum wage requirements,

including effective dates and website links, is available to California Chamber of Commerce members on [HRCalifornia.com](#). A number of the ordinances also include paid sick leave requirements.



## CalChamber Opposition, Business Testimony Help Delay Job Killer Vote

From Page 1

Barrera gave an example: a consumer could go to a separate retailer/grocery store or even the same retailer/grocery store on a daily basis and purchase two items the consumer believes are similar in kind, yet priced differently (even \$0.01 would be enough), and ask the business to settle for a minimum of \$4,000 or face costly litigation.

While the business may very well be able to prove the price difference was based upon a gender-neutral reason, the cost of litigation to prove that defense is significant, Barrera said.

This is the exact type of frivolous litigation that businesses across California are struggling with for alleged violations of the Americans with Disabilities Act, as it is the same section of the Civil Code that covers both issues. "California businesses do not need exposure to another layer of such extortionist litigation as SB 899 will create," Barrera said.

SB 899 seeks to expand on a 1995 law that banned pricing differences for men's and women's services, except in specific circumstances.

### Business Owner Testifies

Jose Paniagua, owner of Chic Hair

Studio in Riverside, testified in opposition to the bill. Paniagua is facing a lawsuit for a \$4 cost difference between a man's and a woman's haircut. At the time of the price inquiry, the salon explained to the prospective customer the reason for the cost difference is a labor cost, which is permitted under state law. Now he is fighting to protect his business.

Paniagua said that his salon and 10 other businesses in his community have been subject to lawsuits from the same lawyer and the lawyer's girlfriend, who have been requesting services from a variety of firms in the last couple of months.

If SB 899 passes, Paniagua told the committee that "without any regulations to protect small businesses, there is no doubt that we will get more lawsuits and owners will consider closing their businesses because they are afraid of getting sued over huge amounts of money."

Paniagua explained that another business, a dry cleaner, is facing a \$100,000 lawsuit over the 50-cent difference for dry cleaning a woman's blouse versus a man's laundered shirt.

Lawsuits about differently priced services are already having a bad impact on businesses, Paniagua told the commit-

tee. "Can you imagine what would happen if SB 899 becomes law and this impacts products? This is one more reason to kill jobs and close down business."

### Vote Delayed

The Assembly Judiciary Committee decided not to vote on the legislation on June 21 and chose instead to wait a week until the next committee meeting on June 28. There was a lot of discussion among the committee members about whether the bill's language could be amended to deal with their concerns.

Asked about the prospects for changes removing objections to the bill, Barrera pointed out that CalChamber's opposition letter has remained the same throughout the legislative process to date, meaning amendments have not resolved business concerns.

July 1 is the deadline for legislative policy committees to meet and send bills to the floor.

### Action Needed

Contact your Assembly members and urge them to **oppose SB 899**.

**Staff Contact: Jennifer Barrera**

## Loan Access for Small Business Moves in Assembly

From Page 1

### IBank

The IBank, housed within the Governor's Office of Business and Economic Development, was established in 1994 to promote economic revitalization, enable future development and encourage a

healthy jobs climate in the state.

Since its creation, IBank has loaned, financed or participated in more than \$34 billion in infrastructure and economic expansion projects.

Small businesses in California employ about half of the state's private workforce, according to the U.S. Census

Bureau. Moreover, businesses with fewer than 20 employees have accounted for significant net employment growth, based on studies by the Census Bureau and the Kauffman Foundation.

**Staff Contact: Valerie Nera**

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# CalChamber, Linked Learning Alliance Form Network to Help Youth Find Jobs

The California Chamber of Commerce and the Linked Learning Alliance have launched a California network of employer associations committed to advancing youth opportunities and reducing youth unemployment.

The lead organizations, Linked Learning Alliance and CalChamber, brought together four local chambers of commerce to form the network: the Los Angeles Area Chamber of Commerce, Oxnard Chamber of Commerce, Fresno Chamber of Commerce and Sacramento Metropolitan Chamber of Commerce.

This network, the first of its kind in California, is supported by a \$544,425 grant from the California Workforce Development Board's Workforce Accelerator Fund, the largest grant awarded through this program to date.

## Employer-Led

"This network will leverage the power of an employer-led approach to build scalable systems that give students work-based learning experiences that help prepare them for college and careers," said Loren Kaye, president of the CalChamber-affiliated California Foundation for Commerce and Education.

"Our approach is inspired by Talent Pipeline Management, a program developed by the U.S. Chamber of Commerce Foundation to close the skills gap by calling for employers to play an expanded leadership role as 'end customers' of education and workforce partnerships. The strategy for each region will vary based on their unique needs, but each is advancing workforce development and aiming to reduce youth unemployment."

## Closing Gap

By 2025, California will need to produce an additional 1 million career-ready college graduates to meet employers' needs, according to a recently published Public Policy Institute of California (PPIC) report, "Closing the Gap: Meeting California's Need for College Graduates."

Today, only 40% of California's 2.2 million young adults hold an associate's degree or higher, and many don't have the skills needed to succeed in college or the workforce.

"Work-based learning animates what students learn in the classroom, gives young adults relevance and inspires them to want to learn," said David Rattray, executive vice president education and workforce development for the Los Angeles Area Chamber.



"By working with professionals, students gain skills needed for 21st century careers. They also start building a professional network and can add their experiences to a resume and college applications. We applaud the CalChamber and all the participating regional chambers that are committed to make work-based learning available to students at the scale needed in California."

## Partner Projects

The work the partner regions will be starting includes:

- The Los Angeles Area Chamber plans to advance its business engagement with local Linked Learning academies and pathways, aiming to increase the number of chamber members who offer work-based learning opportunities for Linked Learning students.

- The Oxnard Chamber will develop a program, Direct Path to Success, which connects employers to their future workforce and exposes high school students to careers with local businesses.

- The Fresno Chamber is planning a Future Leaders Employment Expo, which will provide students and disconnected youth with a variety of resources, including informational interviews and seminars on resume building, interview tips and job coaching for youth.

- The Sacramento Metro Chamber will tap some of its existing leadership and professional network programs to create a mentorship program for young professionals and youth in the Sacramento region.

## Personal Relevance

"Linked Learning exposes high school students to previously unimagined college and career opportunities by turning their education into a personally relevant, engaging experience," said Christopher Cabaldon, president of the Linked Learning Alliance.

"Research shows that Linked Learning students have higher rates of engagement and higher graduation rates than their peers at traditional high schools. This approach to education is helping to create a

disciplined, prepared, and productive future workforce for California, ready to succeed in college, career, and life.

"However, the approach can only be successful if we have strong business partners involved, who make sure that students are learning about careers and getting hands-on experience that is aligned with industry standards and expectations. The Linked Learning Alliance is proud to partner with chambers, employer associations, and leading businesses to expand opportunities for students to learn from and work with leading employers in key industry sectors."

## Sharing

The CalChamber will partner with the Linked Learning Alliance to convene the network of chambers to share best practices, testimony from experts and field leaders, and disseminate resources and supportive materials through webinars and group communications.

**Contact: Loren Kaye**

## Legislative Outlook

An update on the status of key legislation affecting businesses. Visit [www.calchambervotes.com](http://www.calchambervotes.com) for more information, sample letters and updates on other legislation. Staff contacts listed below can be reached at (916) 444-6670. Address correspondence to legislators at the State Capitol, Sacramento, CA 95814. Be sure to include your company name and location on all correspondence.

### Committee Rejects Flexible Workweek Bill



A California Chamber of Commerce-supported job creator bill providing employers with the flexibility to accommodate employees' needs was rejected by the Senate Labor and Industrial Relations Committee on June 22.

**SB 985 (Berryhill; R-Twain Harte)** would have provided employers with the opportunity to accommodate employees' needs as well as business demands by allowing employees to request a voluntary, flexible workweek agreement that can be repealed by the employee at any time with proper notice.

SB 985 sought to eliminate the burdensome alternative workweek election process and allow the employee the opportunity to request a four, 10-hour day workweek schedule that will address the needs of both the employer and employee.

California is one of only three states that requires employers to pay daily overtime after eight hours of work and weekly overtime after 40 hours of work. Even the other two states that impose daily overtime requirements allow the employer and employee to essentially

waive the daily eight-hour overtime requirement through a written agreement.

California, however, requires employers to navigate through a multi-step process to have employees elect an alternative workweek schedule that, once adopted, must be "regularly" scheduled.

This process is filled with potential traps for costly litigation, as one misstep may render the entire alternative workweek schedule invalid and leave the employer on the hook for claims of unpaid overtime wages.

SB 985 would have relieved employers, especially smaller employers, from the administrative cost and burden of adopting an alternative workweek schedule.

#### Key Vote

SB 985 failed to pass Senate Labor and Industrial Relations on a party-line vote:

**Aye: J. Stone (R-Temecula).**

Noes: Jackson (D-Santa Barbara), Leno (D-San Francisco), Mendoza (D-Artesia), Mitchell (D-Los Angeles).

**Staff Contact: Jennifer Barrera**

### Assembly Committee Advances Bill Eroding Housing Availability



The Assembly Banking and Finance Committee this week moved California Chamber of Commerce-opposed legislation that erodes housing availability.

**SB 1150 (Leno; D-San Francisco)** has been labeled a job killer because it increases liability risk and the cost of residential loans by allowing parties not on the original mortgage loan to interfere with appropriate foreclosures and creates a private right of action for violations of overly complex and burdensome requirements.

Although the committee approved amendments limiting the scope of who qualifies as a successor in interest to the party on the original mortgage loan, acknowledging the mortgagor's duty to determine creditworthiness, and providing a safe harbor for mortgagors that comply with forthcoming federal regulations, SB 1150 is retroactive and still greatly expands the private rights of action that may be levied against lenders.

Consequently, the availability of credit will be compromised if SB 1150 becomes

law. If lenders must assume more risk for loans, which they will under the mandates in SB 1150, mortgage loans will become more expensive. These costs will be passed on to many Californians, pricing them out of homeownership.

#### Key Vote

SB 1150 passed Assembly Banking and Finance on June 20, 8-2:

Ayes: Dababneh (D-Encino), Bonilla (D-Concord), Brown (D-San Bernardino), Chau (D-Monterey Park), Gatto (D-Glen-dale), Low (D-Campbell), Ridley-Thomas (D-Los Angeles), M. Stone (D-Scotts Valley).

**Noes: T. Allen (R-Huntington Beach), Kim (R-Fullerton).**

Absent/abstaining/not voting: Achadjian (R-San Luis Obispo), Hadley (R-Tor-rance).

SB 1150 will be considered next by the Assembly Judiciary Committee.

**Staff Contact: Valerie Nera**



# Japan-California Trade/Investment Ties: Annual Meeting Keeps Connections Strong



The numerous areas that affect trade and investment between California and Japan, one of the state's largest export

partners, were the subject of a lively exchange this week at the annual luncheon meeting between the California Chamber of Commerce and leaders of Japanese companies with operations in the state.

Conversations touched upon topics such as the California legislative and regulatory process; state, U.S. and Japanese election politics; and presidential candidates' attitudes toward pending trade agreements.

Heading the Japanese business delegation were Ken-ichi Sato, president of the Japanese Chamber of Commerce of Northern California (JCCNC), and Satoshi Okawa, president of the Japan Business Association of Southern California (JBA).

Sato is executive vice president and chief financial officer of Kokusai Semiconductor Equipment Corporation. Okawa is vice president for Sumitomo Corporation of Americas and general manager for its Los Angeles office.

Representing the CalChamber at the luncheon were CalChamber Board member Frank Washington, CEO of Crossings TV, and Susanne T. Stirling, vice president, international affairs.

## Trans-Pacific Partnership

The Japanese business executives reiterated their support for the Trans-Pacific Partnership Agreement (TPP), which will facilitate trade and promote investment between the countries that are party to it.

The TPP contains 30 chapters of trade, labor, intellectual property, and environmental regulations.

Approval of the TPP is pending in the U.S. Congress, and there are hopes that the agreement will be approved in a timely fashion.

## Cost of Doing Business

Also discussed at the luncheon was the cost of doing business in California.

A biennial survey conducted by the Japan External Trade Organization

The JCCNC/JBA annual report on Japanese investors in California also commented on the high cost of housing as a challenge, citing the June 2016 National Apartment List Rent Report as showing San Francisco, San Jose and Los Angeles among the 10 cities in the nation with the highest rents.

## Japanese Investment in State

Japanese companies are creating more than 224,000 jobs in California, according to the 2016 JETRO survey.

The largest percentage (33.7%) of Japanese companies are involved in the services industry.

As of December 31, 2015, there were 1,470 Japanese-affiliated companies doing business in California. More than 96% of Japanese company employees are hired locally.

## Notable Statistics

- As of 2015, California is the source of 20.5% (up from 18.6% in 2014) of total U.S. export goods to Japan. High-tech equipment and agricultural products

are the main exports.

- Japan is California's third largest import partner and fourth largest export partner.

- More than 570,000 Japanese travelers visited California in 2014; this is 21% of travelers to the state from all of Asia. Japan was home to the fourth largest number of visitors to California (outside of visitors from Mexico and Canada). Only China, England and Australia sent more visitors to California.

- Japan is one of the top five countries to import California wine.

**Staff Contact: Susanne T. Stirling**



(From left) Satoshi Okawa, Susanne T. Stirling, Frank Washington and Ken-ichi Sato.

(JETRO) summarizes factors that Japanese investors take into account along with California's obvious advantages of a large market size, mild and stable climate and great number of Japanese communities.

Following recent and pending increases in the minimum wage in California and a number of cities, the JETRO survey of Japanese companies showed an uptick in respondents identifying labor costs as a concern when operating in California. In the 2016 survey, 80% cited labor costs as a concern, compared to 69.9% in 2014.

Taxes were identified as a concern by 50.8% of those surveyed in 2016, compared to 44.5% in 2014.

## If you don't define your paid sick leave policy, California does it for you.



### DOSE OF REALITY



Under California's mandatory paid sick leave (PSL) law, employers can limit the amount of PSL to 3 days or 24 hours per year. **But you must communicate this limitation in writing.** Without a written policy, your company must use the statutory mandated accrual rate of 1 hour of sick pay for every 30 hours worked. This can result in a FT employee potentially accruing over 69 hours of PSL per year and being allowed to carry that over to the next year, and so on. **That's nearly 9 days per year if the employee works a 40-hour workweek.**

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