

# ALERT

CALIFORNIA CHAMBER OF COMMERCE

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## Study: Prop. 77 Will Boost Competition in Elections

Proposition 77, the redistricting reform measure on the November special election ballot, will result in a significant increase in competition in California elections, according to a newly released report.

The report from the Rose Institute of State and Local Government at Claremont McKenna College concluded that if voters approve Proposition 77, it likely will lead to the creation of 10 competitive congressional districts, four new competitive Assembly districts and seven new competitive state Senate districts.

In contrast, during the last election, not one of 153 congressional, state Senate and Assembly seats changed party hands. Legislators drew the boundaries for the current districts with a goal of building safe seats for incumbents of their parties.

### Proposition 77 Reforms

Proposition 77, the Voter Empowerment Act, is part of the Governor's reform package and is **strongly supported** by the California Chamber of Commerce. The initiative turns over to a bipartisan panel of retired judges the task of redrawing after each census the district boundaries for the state Senate, Assembly, Congress and the Board of Equalization.

The reform removes the conflict of interest inherent in current law, under which legislators design their own districts.

"The Rose Institute study demonstrates that the reforms in Proposition 77 will help restore fairness and competition to the election process," said Cham-

*See Study: Page 7*

## Governor Advocating Four-Point Reform Agenda

As the countdown to the special election on November 8 continues, Governor Arnold Schwarzenegger is on the road and on the air, urging voters to join him in changing "the way Sacramento does business" and making the system more accountable to them.

### Reform Package

The Governor's reform package, **strongly supported** by the California Chamber of Commerce, seeks to reform the state's education, public employee union, budget and political systems through Propositions 74, 75, 76 and 77.

● **Proposition 74, the Put the Kids First Act**, extends from two years to five the number of years a teacher must have served in order to receive tenure and allows school boards the authority to dismiss a permanent teaching employee who receives two consecutive unsatisfactory performance evaluations.

● **Proposition 75, the "paycheck protection"** measure, prohibits public employee unions from deducting political contributions from public employee paychecks unless the employees have given permission. It is an important protection for employees' paychecks, giving workers a measure of control over how their money is spent and making the political contributions voluntary, rather than mandatory.

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One example of a gerrymandered district: The area shaded in black at left is Congressional District 23 as redrawn by legislators after the 2000 census. At right, shaded in blue, is the same district redrawn by the retired judges after the 1990 census.

### Inside

Special Report on  
November Ballot  
Measures: Pages 3-6

## Cal/OSHA Corner

### New Rules from Cal/OSHA in Regulatory Pipeline



**Mel Davis**  
Cal/OSHA Advisor

*Has the Cal/OSHA Standards Board adopted new regulations that will affect my company's operations?*

The Occupational Safety and Health (Cal/OSHA) Standards Board meets monthly to present for public hearing at least two rulemaking packages for public

comment. If these proposals are deemed necessary as the result of public comment, or required by federal or legislative mandate, the board adopts them and submits them to the Office of Administrative Law, which reviews the regulations to ensure they meet specified criteria before being approved and published.

If all proposed rulemakings are approved, there are possibly 24 new regulations that will affect California employers. As of September 5, there have been 16 approved rulemakings affecting at least 31 sections and subsections of Title 8, the regulations all California employers are to be familiar with and comply with where necessary.

#### New Regulations to Date

Following are year-to-date approved adoptions and their effective dates:

- **Section 770** Boiler inspections (9/01/05).
- **Sections 1529, 1535, 5190, 5210 and 8358** Exposure and control method notification requirements for asbestos, methylenedianiline, vinyl chloride and cotton dust (7/28/05).
- **Section 1637(n)** Scaffold ladders (5/28/05).
- **Section 1670** Fall arrest free fall distance (7/15/05).
- **Section 3395** Heat illness prevention (emergency standard effective 8/22/05).
- **Section 3427** Tree climbing and access (1/24/05).

● **Section 3456** Hand weeding, hand thinning and hand hot capping operations in agriculture (non-emergency standard effective 4/29/05).

● **Sections 3541-3546, 3548 and 3549** Automotive lifts (7/28/05).

● **Sections 3649 and 3651(a)** Low profile tractors (7/20/05).

● **Section 5144** Controlled negative pressure (CNP) redon fit testing procedures (1/26/05).

● **Section 5144** Fit-testing for m. tuberculosis (3/7/05).

● **Section 6184** Employee alarm systems (9/24/05).

● **Section 6251(d)(1)** First aid requirements for fixed sawmill operations (9/8/05).

● **Sections 8354 and 8397.10, 8397.11, 8397.12, 8397.13** Fire protection in shipyard employment (4/14/05).

● **Section 8615(g)** Fall protection for telecommunication workers (9/9/05).

For a complete summary of these regulations, visit [www.dir.ca.gov/OSHSB](http://www.dir.ca.gov/OSHSB) and then click on "approved standards."

*The Labor Law Helpline is a service to California Chamber 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 e-mail: [helpline@calchamber.com](mailto:helpline@calchamber.com).*

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### Seminars/Trade Shows

For more information on the seminars listed below, visit [www.calchamber.com/events](http://www.calchamber.com/events).

#### Business Resources

Media Training for Executives. Wilcox Miller & Nelson. October 11, Sacramento. (916) 977-3700.

Southern California Coalition Technology Conference and Vendor Showcase. Southern California Quality Assurance Association, Association of Information Technology Professionals and Project Management Institute. October 22, Long Beach. (562) 983-3400.

#### Government Relations

GovLink Conference 2005. Federal Technology Center. October 17-19, McClellan. (916) 334-9388.

#### International

Globalization: Friend or Foe. Crowell & Moring LLP. October 6, Irvine. (949) 263-8400.

Hong Kong-Guangdong Business Conference USA 2005. Government of Hong Kong Special Administration Region and the People's Government of Guangdong Province. October 14, San Francisco. [www.acteva.com](http://www.acteva.com).





# Overview of November Ballot Propositions

Following are brief summaries of the eight measures that will appear on the November special election ballot and reasons for the California Chamber positions.

**The California Chamber encourages employers to share this information with their employees.** Businesses are within their rights to do so — just remember, **NO PAYCHECK STUFFERS,**

no coercion, no rewarding or punishing employees (or threatening to do so) for their political activities or beliefs.

For more guidelines on political communications to employees, see the brochure at [www.calchamber.com](http://www.calchamber.com). Note the distinction between *internal* communications (to employees, stockholders and their families) and communications to *external* audiences (such as non-stock-

holder retirees, outside vendors, customers, passersby).

More information on the ballot propositions is available on the secretary of state's website at [www.ss.ca.gov](http://www.ss.ca.gov). A link to that website appears under "Government Links" in the "Business Resources" section of the California Chamber's website at [www.calchamber.com](http://www.calchamber.com).

## California Chamber Positions on November Ballot Measures

<i>Proposition</i>	<i>Subject</i>	<i>Position</i>
Proposition 73	Waiting period/parental notification before minor's abortion	No Position
Proposition 74	Put the Kids First Act (teacher tenure)	Support
Proposition 75	Paycheck protection (public employee union dues)	Support
Proposition 76	Live Within Our Means Act (budget reform)	Support
Proposition 77	Voter Empowerment Act (redistricting reform)	Support
Proposition 78	Pharmacy assistance program (discount prescription drug program)	Support
Proposition 79	CalRx Plus (discount prescription drug mandate)	Oppose
Proposition 80	Limits on choices for electricity customers	Oppose

## Proposition 73

### Waiting Period and Parental Notification Before Termination of Minor's Pregnancy. Initiative Constitutional Amendment.

Amends California Constitution, defining and prohibiting abortion for unemancipated minor until 48 hours after physician notifies minor's parent/guardian, except in medical emergency or with parental waiver. Mandates reporting requirements. Authorizes monetary damages against physicians for violation.

### Chamber Position: No Position

The California Chamber Board of Directors did not vote on this measure because the subject is not a business issue.

**Placed on Ballot by:** Petition Signatures



## Proposition 74

### **Public School Teachers. Waiting Period for Permanent Status. Dismissal. Initiative Statute.**

Increases probationary period for public school teachers from two to five years. Modifies the process by which school boards can dismiss a teaching employee who receives two consecutive unsatisfactory performance evaluations.

**Placed on Ballot by:** Petition Signatures

### **Chamber Position: Support**

#### **Reasons for Position:**

1. Updates state's outdated "tenure" law that makes replacing poorly performing teachers very difficult and expensive.
2. Helps improve California schools by focusing on teacher performance and accountability.
3. Gives more authority to principals and school districts to decide whether a teacher is performing well and a longer time to evaluate teachers before giving them tenure.
4. Rewards good teachers and helps weed out problem teachers.
5. Puts focus on promoting a high quality education for California's children.

*Comment: Proposition 74 is just a first step toward necessary reform, helping ensure that the teachers who are the backbone of the school system are qualified to teach. Given that no job guarantees exist in other fields, the tenure requirement alone isn't a reason for teachers to seek greater job security elsewhere.*

Proposition 74 is part of the Governor's reform package.

For more information:  
[www.JoinArnold.com](http://www.JoinArnold.com).

## Proposition 75

### **Public Employee Union Dues. Restrictions on Political Contributions. Employee Consent Requirement. Initiative Statute.**

Prohibits using public employee union dues for political contributions without individual employees' prior consent. Excludes contributions benefiting charities or employees. Requires unions to maintain and, upon request, report member political contributions to Fair Political Practices Commission.

**Placed on Ballot by:** Petition Signatures

### **Chamber Position: Support**

#### **Reasons for Position:**

1. Protects public employee union members from having political contributions made from their dues without their annual permission.
2. Makes union contributions clearly voluntary rather than mandatory.
3. Gives public employees the same choices for making political contributions that we all have, allowing them to withhold contributions from campaigns with which they do not agree.

*Comment: Public employee union funds helped qualify two recent attempts to increase business taxes — Proposition 56, the March 2004 "blank check" initiative making it easier for the Legislature to increase taxes by eliminating the two-thirds vote requirement (rejected by voters); and the "split roll" property tax hike (the proposed initiative was dropped by the teachers' association earlier this year).*

Proposition 75 is part of the Governor's reform package.

For more information:  
[www.JoinArnold.com](http://www.JoinArnold.com).



## Proposition 76

### State Spending and School Funding Limits. Initiative Constitutional Amendment.

Limits state spending to prior year's level plus three previous years' average revenue growth. Directs excess state revenues to budget reserve. Changes school funding requirements (Proposition 98). Permits Governor, under specified circumstances, to reduce budget appropriations.

**Placed on Ballot by:** Petition Signatures

### Chamber Position: Support

#### Reasons for Position:

1. Protects against future deficits, prevents the state from spending one-time revenues for ongoing programs, and balances budget, making more money available for education, roads, health care and law enforcement without raising taxes.
2. Establishes "checks and balances," encouraging bipartisan budget solutions.
3. Stabilizes state K-14 school spending.
4. Ensures taxes collected for highways and roads are spent on those projects.
5. Forces the state to live within its means.

*Comment: By limiting spending and providing funds for a prudent reserve, Proposition 76 makes sure the state has funds to sustain essential programs like education, transportation and necessary city and county services when the economy slows and the state suffers the inevitable decreases in revenue.*

Proposition 76 is part of the Governor's reform package.

For more information:  
[www.JoinArnold.com](http://www.JoinArnold.com).

## Proposition 77

### Redistricting. Initiative Constitutional Amendment.

Amends process for redistricting California's Senate, Assembly, Congressional and Board of Equalization districts. Requires three-member bipartisan panel of retired judges selected by legislative leaders to redraw district lines after each census.

**Placed on Ballot by:** Petition Signatures

### Chamber Position: Support

#### Reasons for Position:

1. Guarantees fair, competitive elections by ensuring voters have the final say on voting districts.
2. Removes conflict of interest inherent in politicians drawing their own districts.
3. Sets strict guidelines for drawing districts.

*Comment: If voters reject a redistricting plan, a new one must be developed for future elections. The last fairly drawn and competitive districts were those drawn by a special court-appointed panel in the 1990s using the sorts of criteria outlined in Proposition 77. The Proposition 77 process would be a huge improvement on the current system, which led to uncompetitive districts where none of the 153 state Assembly, Senate and congressional seats changed party hands in the last election.*

Proposition 77 is part of the Governor's reform package.

For more information:  
[www.JoinArnold.com](http://www.JoinArnold.com).



## Proposition 78

### **Discounts on Prescription Drugs. Initiative Statute.**

Establishes discount prescription drug program for certain low- and moderate-income Californians. Authorizes Department of Health Services to contract with participating pharmacies for discounts and with participating drug manufacturers for rebates.

**Placed on Ballot by:** Petition Signatures

### **Chamber Position: Support**

#### **Reasons for Position:**

1. Seniors and low-income, uninsured Californians can buy prescription drugs at discounts of 40 percent.
2. Adapted from a successful program operating in Ohio.
3. Can take effect immediately without a creation of bureaucracy.
4. Guarantees the lowest commercial price paid in California.
5. Enables the state to negotiate even deeper drug discounts.

*Comment: Proposition 78 and the discounted prescription drug prices it makes possible can go into effect immediately. It is an improved version of the Ohio program, which already is providing savings. Only the state can end the program.*

For more information:  
[www.calrxnow.org](http://www.calrxnow.org).

## Proposition 79

### **Prescription Drug Discounts. State-Negotiated Rebates. Initiative Statute.**

Provides drug discounts to Californians with qualifying incomes. Funded by state-negotiated drug manufacturer rebates. Prohibits Medi-Cal contracts with manufacturers not providing Medicaid best price.

**Placed on Ballot by:** Petition Signatures

### **Chamber Position: Oppose**

#### **Reasons for Position:**

1. Based on a failed program from Maine that never took effect.
2. Threatens poor patients' access to needed drugs.
3. Would prevent California from contracting with manufacturers that do not provide discounts, jeopardizing \$481 million in rebates now paid to state by drug companies.

*Comment: The flawed language in Proposition 79, like that of the failed Maine program it resembles, will lead to litigation that will increase prescription drug costs. The measure will require a new, costly government bureaucracy to administer.*

For more information:  
[www.calrxnow.org](http://www.calrxnow.org).

## Proposition 80

### **Electric Service Providers. Regulation. Initiative Statute.**

Subjects electric service providers to regulation by California Public Utilities Commission. Restricts electricity customers' ability to switch from private utilities to other providers. Requires all retail electric sellers to increase renewable energy resource procurement by 2010.

**Placed on Ballot by:** Petition Signatures

### **Chamber Position: Oppose**

#### **Reasons for Position:**

1. Eliminates consumer choice and price competition.
2. Eliminates any new direct access contracts, thereby killing the direct access market.
3. Limits the market for increasing solar, wind and geothermal energy resources, even if demanded by consumers.
4. Discourages future jobs and business investment in California.

*Comment: By restricting customer choices, Proposition 80 actually reduces competition, discourages investment in energy facilities and promotes the market instability that led to energy shortages and blackouts just five years ago.*

For more information:  
[www.noprop80.com](http://www.noprop80.com).

## Governor Schwarzenegger Advocating Four-Point Reform Agenda

From Page 1

● **Proposition 76, the Live Within Our Means Act**, takes an essential step toward fixing the state's broken budget process by placing caps on government spending to balance future state budgets, while stabilizing funding for education and assuring funding for necessary infrastructure, such as transportation and school construction projects.

● **Proposition 77, the Voter Empowerment Act**, turns redistricting over to a bipartisan panel of retired judges and outlines criteria for the panel to use in redrawing district lines after each census. It takes the task of redrawing district lines away from legislators, who have an inherent conflict of interest. The districts drawn by the bipartisan panel are subject to approval by the voters.

### Television Ads

Two television ads are airing in support

of the Governor's reform package.

One ad features a series of speakers highlighting key elements of the reform measures:

● "Making new teachers work successfully for five years before they get tenure and a job for life is a good idea" (Proposition 74).

● "Stopping government labor unions from taking workers' money for politics without their permission makes sense" (Proposition 75).

● "Controlling spending to end state deficits and balance the budget is better than raising taxes" (Proposition 76).

● "Having independent judges draw legislative districts, instead of the politicians, is better for us voters" (Proposition 77).

The last speaker says, "Let's face it — Sacramento is screwed up. Anything we can do to change it, I am for." The ad concludes with a screen urging viewers to vote yes on Propositions 74, 75, 76 and 77.

Another ad features the Governor, noting his goal is "to rebuild California. . . . But a broken system in Sacramento stands in the way — a system rigged to benefit big government labor unions who will do anything to preserve the status quo."

The reform measures, he says, "will change the way Sacramento does business, get our budget under control, and make the system more accountable to you."

He concludes with an appeal to voters, "Help me change Sacramento, so we can rebuild California."

Staff Contact: Sara Lee

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October 14

## Study: Proposition 77 Will Boost Competition in Elections

From Page 1

ber President Allan Zarembeg. "That competition will be a start toward making legislators accountable to the voters, their constituents."

### Report Findings

The Rose Institute report also concludes that Proposition 77 will:

● evenly reduce the number of safe Democratic and Republican seats: by five each in Congress and the Assembly, and by four Democratic and three Republican seats in the state Senate;

● create two new districts with a majority of Latinos of voting age;

● significantly reduce the division of counties, in comparison to current districts; and

● increase the compactness of districts.

In addition, the report compared the competitiveness of districts drawn by panels of retired judges and those drawn by legislators. It found that the panels of retired judges created 40 competitive districts in 1973 and 48 competitive districts in 1991.

The redistricting done by legislators

created 19 competitive districts in 1982 and five in 2001 (now in effect).

The report is available on the Rose Institute's website at <http://rose.claremontmckenna.edu>.

For more information on Proposition 77 or any of the Governor's reform measures, visit [www.joinarnold.com](http://www.joinarnold.com).

Staff Contact: Sara Lee

## Chamber Hosts Mexico Foreign Relations Official



Geronimo Gutierrez (left), under secretary of foreign relations for Mexico, discusses relations between his country and the United States with California Chamber President Allan Zarembeg at a September 20 dinner gathering hosted by the Chamber. The under secretary, who oversees all consular offices in the United States and Canada, was in Sacramento for a brief visit that included meetings with administration and legislative officials, together with community leaders.

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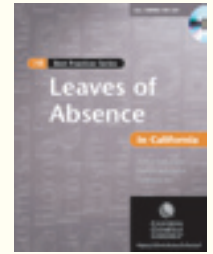
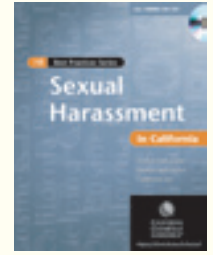
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