

ALERT

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 **CalChamber**[™]
CALIFORNIA CHAMBER OF COMMERCE

Air Board to Vote Soon on Truck Replacement Rule

Most Expensive ARB Regulation in State History



As California continues to suffer from the effects of a slowing economy, the

California Air Resources Board (ARB) will consider adopting the most expensive environmental regulation in California history.

The statewide truck and bus rule would require nearly all commercial heavy duty diesel vehicles in California to be retrofitted or replaced over the next decade. The ARB will consider formal adoption of the regulatory scheme during its December 11-12 meeting in Sacramento.

With the ARB vote looming, the Driving Toward a Cleaner California (DTCC) coalition is making a final push to convince the ARB to adopt an alternative proposal. DTCC is a coalition of business interests from across California's diverse economy that has been advocating an alternative regulation which balances the need for clean air and economic stability.

The DTCC alternative proposal offers relief for the regulated community by

providing for a fairer implementation schedule and increased mileage exemptions for low-mileage trucks. The alternative balances the need for emission reductions with the needs of California's small businesses and working families.

The current economic crisis demands that ARB balance economic and environmental needs by adopting the DTCC alternative proposal.

Action Needed

CalChamber members and readers of the *Alert* can have an impact on the ARB vote next week:

- **Support the DTCC Alternative Proposal:** Please visit the DTCC website at www.drivecleanca.org, click on the "Submit a Comment to CARB" section and make sure that the ARB members know that you support the DTCC alternative.

- **Attend the ARB Hearing and Testify:** The ARB hearing will be held in Sacramento at the Cal/EPA building, 1001 I Street, Sacramento. Attend the hearings in person and make sure that the ARB understands the impact that this rule will have on your business.

Staff Contact: Jason Schmelzer

Mandatory Changes Mean New Posters Must Be Displayed



Mandatory changes have been made to three of the notices California employers are

required to display to explain workers' rights to employees.

- New federal Family and Medical Leave Act (FMLA) rules published on November 17 include new poster and notice requirements.

- The Equal Employment Opportunity (EEO) workplace poster includes required changes, according to the Office of Federal Contract Compliance Programs.

- The state Employment Development Department (EDD) notice to employees has changed for 2009.

Family Leave

The FMLA rules going into effect on January 16, 2009 cover:

- the new poster and notice requirements;
- eligibility for leave if the employee has a break in service with the employer;
- when bonus payments may be denied to an employee on FMLA;
- increase in penalties for failure to post the FMLA notice;
- requirement that employers indicate

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Economy Continues to Dominate Headlines

Stanford Prof Offers Sound Guidance to New Administration

On December 1, Governor Arnold Schwarzenegger declared a fiscal emergency for the state of California, allowing him to call a Proposition 58 legislative special session to deal with the crisis.

In addition, the Governor called a second legislative special session to address the health of the state's economy, including consideration of stimulus proposals that will help California retain

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Labor Law Corner

Computer Professionals Exempt from Overtime, Not Other Requirements



Dale Louton
Labor Law Consultant

Please clarify the current “computer professional” exemption, specifically travel time—is it to be paid? What about the other requirements contained within the Industrial Welfare Commission orders, such as time records, rest periods and meal periods?

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AB 10 (effective September 30) contains important changes of which you must be aware. There is a minimum annual salary requirement of \$75,000, which is to be paid at least once a month (at least \$6,260/month).

By paying this salary, all hours worked, including any travel required by the employer, will be compensated fully. The salary level will be adjusted October 1 of each year to be effective January 1 of the following year. The required salary as of January 1, 2009 is \$79,050.

The “computer professional” who meets the requirements spelled out in the Industrial Welfare Commission orders is exempt from receiving premium pay for overtime hours worked.

You need to be cautious with respect to other requirements contained within the orders. The state Labor Commissioner has made the following statement in its **Enforcement Policies and Interpretation Manual**:

“The IWC Orders simply state that ‘employees in the computer software field . . . shall be exempt’ if they meet the listed criteria. The provisions of Labor Code Section 515.5 only exempt these employees from the overtime requirements if they meet that same criteria. It is the position of the

DLSE [Division of Labor Standards Enforcement], therefore, that the computer software exemption is limited to the overtime exemption, but that they remain covered by the other protections in the orders.”

Based upon the above-stated policy of the state Labor Commissioner, it is strongly urged that you consult your labor and employment attorney if you decide to not keep time records and comply with the orders requiring meal and rest periods.

The same bill—AB 10—provides for an hourly rate of \$36, which will be adjusted to \$37.94, effective January 1, 2009. This requires that employers pay for every hour worked, including required travel time. You are not required to pay premium pay.

You are cautioned to consult legal counsel if you do not comply with protections in the wage orders.

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.

CalChamber-Sponsored Seminars/Trade Shows

For more information, visit
www.calchamber.com/events.

International Trade

APEC Annual Roundtable. National Center for APEC. January 8–9, 2009, La Jolla. (206) 441-9022.

Buy Korea 2009: Korean Product Showcase. Korea Business Center (KOTRA). January 15, 2009, Seoul, Korea. (650) 571-8483.

Trade Mission to China. California Commission for Economic Development. February 18–28, 2009, Beijing, Xi’an and Shanghai. (916) 327-9104.

CeBIT 2009: Take Your Business to the Next Level. Hannover Fairs. March 3–8, 2009, Hannover, Germany.

Water China 2009. China Foreign Trade Centre Group. March 3–6, 2009, Canton (Guangzhou).
contact@merebo.com.

Labor Law

On-Demand Web Seminar Library. CalChamber. Through December 31, 2009. Call for details. (800) 331-8877.

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December 19



CalChamber Releases List of New Laws Affecting California Businesses in 2009

The California Chamber of Commerce has released a list of new laws scheduled to take effect in 2009 or earlier that will have an impact on businesses in California.

“California employers need to be aware of several new laws affecting their businesses,” said CalChamber President and Chief Executive Officer Allan Zarembeg. “The CalChamber’s CalBizCentral compliance division is already a step ahead, offering training materials that will help businesses start off the new year in full compliance.”

Among the training materials currently available is CalBizCentral’s **HR 201: Labor Law Update** seminar, which is available at the CalBizCentral website.

In addition, the CalChamber is offering a new edition of its comprehensive resource for California-specific and employment law information. The **2009 California Labor Law Digest** offers legal background information, including legislation, court cases and regulatory requirements in plain language organized to make complex laws understandable for businesses.

New Laws

Following is a list of new laws that have recently gone into effect or will take effect in 2009:

- **Family and Medical Leave Act:** The U.S. Department of Labor published the final version of the Family and Medical Leave Act (FMLA) regulations pertaining to military families and qualifying exigencies. Importantly, among numerous significant changes, the regulations define what a “qualifying exigency” is for purposes of qualifying for up to 12 weeks of FMLA leave. Families with active military personnel may now be eligible if their situation meets one of the new qualifying exigencies: short notice deployment, attendance at official military events or activities, arranging or providing child care, attending school or day care meetings, handling financial and legal matters, and rest and recuperation visits when the soldier is on leave.

- **Cell Phone Use:** Since July 1, 2008,



drivers have been required to use a hands-free device while talking on a cell phone and driving. Starting January 1, 2009, text-based communication while driving is prohibited as well, with the same penalties—\$20 for the first offense and \$50 for subsequent offenses. Specifically, the law prohibits writing, sending or reading text-based communication, including text messaging, instant messaging and e-mail on a wireless device or cell phone while driving.

- **Invalid Waivers:** A bill amended Labor Code Section 206.5, making null and void the execution of any release on account of wages due. Employers who violate this law are guilty of a misdemeanor. The new law—effective January 1, 2009—adds the following language: “For purposes of this section, ‘execution of a release’ includes requiring an employee, as a condition of being paid to execute a statement of the hours he or she worked during a pay period, which the employer knows to be false.”

- **Temporary Employees:** Wages for employees of temporary services employers shall be paid weekly or daily if an employee is assigned to a client on a day-to-day basis or to a client engaged in a trade dispute. This requirement does not apply to employees who are assigned to a client for more than 90 consecutive

calendar days unless the employer pays the employee weekly. Failure to do so can result in civil and criminal penalties.

- **Minimum Pay for Exempt Computer Professionals:** Effective January 1, 2009, Labor Code Section 515.5 was amended to allow payment to computer professionals as a monthly or annual salary. Before this change, computer professionals had to earn a minimum hourly rate, set by the Division of Labor Statistics and Research (DLSR) annually. The hourly rate for 2009 is increased from \$36 to \$37.94. For 2009, the minimum monthly salary exemption is \$6,587.50, and the minimum annual salary exemption is \$79,050.

- **Exemption for Physicians Paid on Hourly Basis:** A licensed physician or surgeon who is primarily engaged in performing duties for which licensure is required is exempt from overtime if he/she is paid at least the minimum hourly rate set annually by the state.

Effective January 1, 2009, the minimum hourly rate is \$69.13. This exemption does not apply to employees in medical internships or resident programs, physician employees covered by collective bargaining agreements, or veterinarians.

- **Passport Cards for Identification on I-9:** The Departments of State and Homeland Security have begun to issue “passport cards” that may be used as a “List A” document to verify employment in accordance with the I-9 form.

The passport card is more limited in its uses for international travel (for example, it may not be used for international air travel), but it is a valid passport that attests to the U.S. citizenship and identity of the bearer. Accordingly, the card may be used for the Form I-9 process and also can be accepted by employers participating in the E-Verify program.

The passport card is considered a “List A” document that may be presented by newly hired employees during the employment eligibility verification process to show work-authorized status. “List A” documents are used by employees to prove both identity and work-authorization when completing the Form I-9.

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● **Political Speech:** In July 2008, the president of the National Labor Relations Board issued guidelines to employers concerning employee participation in political advocacy activities and providing guidance to employers as to when disciplinary actions for these activities may be appropriate.

The memorandum provides that:

✓ Non-disruptive political advocacy for or against a specific issue, related to a specifically identified employment concern that takes place during employees' own time and in non-work areas, is protected.

✓ On-duty political advocacy for or against a specific issue, related to a specifically identified employment concern is subject to restrictions imposed by lawful and neutrally applied work rules.

✓ Leaving or stopping work to engage in political advocacy for or against a specific issue, related to a specifically identified employment concern also may be subject to restrictions imposed by the employer.

● **Workers' Comp Injury Reporting:** Labor Code Section 6409.1 was amended to change the reporting of work-related injuries and illnesses. Currently, form 5020 must be filed with the DLSR within five days of an incident. Once the regulations are finalized, insured employers must file a form as prescribed by the Division of Workers' Compensation (DWC) with the DWC, and self-insured employers must use a new, yet-to-be created electronic form

within the time specified by the DWC. Amended reports following a death must now be filed with the DLSR instead of the DWC. Insurers must use a new, yet-to-be-created, electronic form from the DWC.

The bill specifies that regulations must be created to implement these changes, which will not go into effect until the regulations are finalized.

● **Nutritional Information for Chain Restaurants:** A new law requires chain restaurants with 20 or more facilities in California to post nutritional information. Beginning July 1, 2009, to December 31, 2010, each facility must disclose nutritional information or calorie count information about the food it serves. Nutritional information includes, but is not limited to, all of the following, per standard menu item, as that item usually is prepared and offered for sale:

- ✓ total number of calories;
- ✓ total number of grams of carbohydrates;
- ✓ total number of grams of saturated fat; and
- ✓ total number of milligrams of sodium.

● **San Francisco Commuter Benefits:** Beginning 120 days after August 22, 2008, San Francisco employers with 20 or more employees are required to provide commuter benefits to employees who work at least 10 hours per workweek within the geographic boundaries of San Francisco. This includes offering employees at least one of the following transportation benefits:

✓ A pre-tax election of a maximum of \$110 per month, consistent with current federal law.

✓ An employer-provided transportation pass (or reimbursement for one) equal in value to \$45 (or more) per month.

✓ Employer-provided transportation at no cost to employees.

Additional rules and regulations will follow, and updates will be provided at HR California. Failure to comply with this program will result in an "infraction" of monetary fines against the company. Companies with employees working in San Francisco are advised to consult with legal counsel immediately so the business can prepare to comply.

● **San Francisco Health Care Ordinance:** On September 30, 2008, the U.S. 9th Circuit Court of Appeals issued a decision for small business owners in San Francisco. In a highly watched health care case, the court ruled that the San Francisco Health Care Security Ordinance and the corresponding Health Access Plan were not pre-empted by the federal Employee Retirement Income Security Act (ERISA).

San Francisco's Health Care Security Ordinance, enacted by the city in 2006, mandates that all private employers with more than 20 employees pay an assigned amount of money toward employee health care or pay the city a fee based on the number of employees and hours worked.

CalChamber Seminars

CalChamber employment law experts will travel throughout the state conducting seminars on human resources, labor and employment laws, regulations and court decisions that will affect how companies do business in 2009.

Space is filling up fast for **HR 201: Labor Law Update** seminar offered by CalBizCentral, the source for California business and human resource compliance products, presented by the CalChamber.

This seminar is designed for HR professionals or any employee responsible for HR duties. Each **HR 201: Labor Law Update** seminar will cover new federal and California legislation and regulations, and important case law about which employers should be aware.

For more information, visit www.calbizcentral.com/hr201.

Mandatory Changes Mean New Posters Needed

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how much time will be used as FMLA (if known);

- retroactive application of leave.

Required Pamphlet Changes

In addition, there are new requirements in 2009 to the following required pamphlets:

● **Workers' Compensation Rights & Benefits** pamphlets (required for new hires);

● **State Disability Insurance** pamphlets (required for new hires and employees

taking non-work-related disability leave);

● **Paid Family Leave** (required for new hires and any employee taking a leave of absence);

● **Unemployment Insurance** pamphlets (required for any employee who becomes unemployed).

More information on the new requirements is available in the *HR Watchdog Blog* at www.hrcalifornia.com.

For more information on the product changes or to order, visit www.calbizcentral.com.

CalChamber Members Well Represented on *Inc.* List of Fastest Growing Companies

Sixteen members of the California Chamber of Commerce are ranked in the top 500 of the 2008 rankings of the nation's 5,000 fastest growing companies in the country, according to *Inc.* magazine.

Companies in the *Inc.* 5000 are selected through measurements of their revenue growth over a three-year period, from 2004-2007. To qualify, companies must have been founded and generating revenue by the first week of 2004, and therefore able to show four full calendar years of sales.

In addition, they have to be U.S.-based, privately held, for-profit and independent—not subsidiaries or divisions of other companies—as of December 31, 2007. Revenue in 2004 must have been at least \$200,000, and revenue in 2007 must have been at least \$2 million.

The following CalChamber members made it into the top 500 of the *Inc.* 5000 list. Company headquarter locations are noted in parentheses.

Fastest Growing Members

● **SolutionSet (Palo Alto)** Ranked 23. This Internet consulting and web development business helps companies create brands. Market growth in the demand for simultaneous brand and technology services has helped the company's success. SolutionSet also hired an experienced management team to fuel company growth. Clients range from large corporations, such as Chevron, eBay, Merck, Nokia and Visa, to small start-up businesses. The company also ranked No. 1 on the *Inc.* Top 50 Businesses in San Jose-Sunnyvale-Santa Clara list.

● **Groupware Technology (Campbell)** Ranked 37. An information technology (IT) services provider to a customer base of large corporations specializing in rapid design, procurement, storage, security and networking and enterprise systems. Groupware Technology was close to shutting its doors, but with a complete management change, coupled with client relationships already set in place, it was able to dive back into the database and experience

significant financial success. To continue this growth, it just opened an office in Portland, Ore. to focus on market expansions. It has three custom labs at its Campbell facility for customers to test new products before purchase. Groupware also ranked No. 3 on the *Inc.* Top 100 IT Services Companies list.



● **Santur (Fremont)** Ranked 43. Santur manufactures high-performance parallel array devices for the global telecommunications industry. Demand for optical networks, which provide the communications industry with data and voice traffic throughout the world, has grown approximately 50 percent per year over the last decade and Santur was there with the product and superior technology when the market needed it. The company's products are used by telecommunications carriers, such as AT&T and Sprint Nextel. The company also ranked No. 2 on the *Inc.* Top 100 Telecommunications Companies list.

● **The Coding Source (Los Angeles)** Ranked 96. The Coding Source is an outsourcing business that provides certified medical coders for claims processing and revenue cycle management to health care systems, hospitals and physicians nationwide. Because of the rising number of medical claims processed—with an average of 15 million claims per month in the United States—The Coding Source experienced exponential growth by meeting an exceptional demand for coders. Chief Executive Officer and Founder Greg

Sinaiko was selected as a finalist for the 2008 Ernst & Young Entrepreneur of the Year award in the Greater Los Angeles Area. The company also ranked No. 3 on the *Inc.* Top 100 Health Companies list.

● **Dogswell (Los Angeles)** Ranked 101. Makes natural pet foods and treats, which are then sold through premium grocery and independent pet stores. As the first company to fortify meat treats with supplements, Dogswell distributes 100,000 samples per month to test quality. The Dogswell facility is designed to prevent cross-contamination and ensures raw meat and raw juices or contaminants do not come into contact with cooked meat at any time during the cooking or packaging process.

● **iCrossing (Scottsdale, Ariz.)** Ranked 125. iCrossing assists big companies like Toyota, Epson and Coca-Cola with digital advertising and search engine marketing. iCrossing acquired German competitor 3GNet, while also adding a U.K. division, kicking off the company's global expansion. Don Scales was appointed chief executive officer in May, replacing Jeffery Herzog, one of the company's founders and chief executive officer since 1998. iCrossing also ranked No. 2 on the *Inc.* Top 100 Businesses in Phoenix-Mesa-Scottsdale, Ariz. list.

● **NorthStar Systems International (San Francisco)** Ranked 146. This company develops wealth management software that streamlines and integrates the entire workflow process, helping managers improve productivity and drive profitability. Wealth management is the fastest growing segment in the financial services industry. Oliver Wyman Celent, a leading industry analyst, recognized NorthStar as an "A" player and market leader in its 2007 Wealth Management Technology Report. NorthStar received the highest score in the breadth of functionality category.

● **The Centurion Group (Colorado Springs, Colo.)** Ranked 194. The Centurion Group provides facilities maintenance and repairs, special events management and renovations and minor construction services for the U.S. military and other federal agencies. Over the last

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CalChamber Members on *Inc.* List of Fastest Growing Companies

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three years, 80 percent of the company's contracts have been sole-sourced (no bid contracts)—and each year, for the last five years, the company has doubled its sales. The Centurion Group is an 8(a) and Service Disabled Veteran-Owned Small Business.

● **Hydra (Beverly Hills)** Ranked 211. Hydra matches advertisers like Kraft with a network of affiliated website publishers, including MySpace. Hydra pays websites generous rates for carrying the ad campaigns it distributes and gives online publishers flexibility in running ads that work best on their sites. The growing network built using this approach has attracted advertisers, who pay Hydra only for results (a sale or lead generated) rather than per click. In 2007, Hydra decided to ban incentive marketing tactics, where users are enticed with prize offers to click on ads, because the quality of customers captured is poor.

● **Workforce Solutions Group (Foothill Ranch)** Ranked 221. This is a talent acquisition company that helps organizations with recruitment and outsourcing. The company has specialists from nine major industry divisions and uses web-based tools to supply clients with instant access to their order activity. The company also added an additional resource center in Dallas, Texas in 2007 and recently relocated to a larger national operations center in Foothill Ranch.

● **Borrego Solar Systems (Berkeley)** Ranked 261. Borrego Solar Systems designs, constructs and installs turn-key, photovoltaic solar electric energy systems in California and New England for commercial, residential and public sector clients. With 25 years of experience and more than 650 photovoltaic solar systems to its credit, the company is in a key position to leverage the growing interest in residential and commercial solar power. Borrego Solar is in the process of

installing solar electric power systems that were donated to four fire stations affected by the 2007 Southern California wild fires.

● **Health Diagnostics (Melville, N.Y.)** Ranked 269. This company provides diagnostic imaging services—including MRI exams, ultrasounds and CT scans—for private-practice physicians in the Bay Area. By acquiring several imaging facilities in a tight geographic area, Health Diagnostics has carved out a niche market. Founder and Chief Executive Officer Andrew J. McKelvey also founded and headed Monster.com as chief executive officer until 2006.

● **InTouch Health (Santa Barbara)** Ranked 289. This company develops, manufactures and markets the Remote Presence Robotic System, a wireless, mobile robot featuring a two-way video and audio computer system that allows physicians to monitor and interact with patients remotely. The company is on the rise because more than 200 robots are currently in use. Participating in trade shows marketed to specialists, in addition to beefing up its sales force, has helped InTouch convince more doctors to integrate the technology into their current practices. The current edition, the RP7, is most commonly used by doctors who are performing rounds on post-op surgery patients, who are on call but live a distance from emergency rooms, and for assessing stroke victims.

● **Neudesic (Irvine)** Ranked 393. Neudesic integrates a customer's existing IT systems with myriad Microsoft platforms, as well as developing its own proprietary software. The company operates from several offices scattered about the United States, and is able to provide services to customers nationwide and internationally (a satellite office operates in Hyderabad, India). The company not only integrates existing systems, but also due to the expertise

of its employees, generates its own proprietary software systems. One example is a now well-known and easy-to-use tool that streamlines Sarbanes-Oxley compliance—an instant hit with public corporations. The company was recently asked to design and implement an Enterprise Service Bus (ESB) to help the tech-savvy Jordanian government streamline services and partner relationships.

● **AuctionDrop (Menlo Park)** Ranked 406. AuctionDrop is an online retailer that sources surplus inventory from large national retailers and sells the merchandise through eBay and other online channels to consumers. An enticing markdown on quality items and quick processing time has helped fuel the company's growth. AuctionDrop has received a 99.6 percent positive buyer "feedback" rating on eBay. The company has also been recognized as one of the fastest growing private companies by the *Silicon Valley Business Journal*.

● **Kaleidescape (Sunnyvale)** Ranked 415. Sells a custom-installed entertainment server called The Kaleidescape System, which stores and automatically organizes the user's collection of DVDs and CDs, delivering high-definition video to any room in the home via Ethernet, and making it fun to explore treasured movies and music. Raves about the ingenuity of the system bypass the pain of high-dollar initial buy-in for the product installation. Its upscale clientele then have to buy licensing rights to the CD/DVD use on an annual or lifetime basis; they also keep coming back because the company continually offers upgrades to its own system. The company just launched the Kaleidescape 1080p Player, a line of movie players that can show DVD movies at an enhanced 1080p, which is more than twice the resolution of a typical DVD.

Visit www.calchamber.com for the latest business legislative news plus products and services to help you do business in California.

Economy Continues to Dominate Headlines; Stanford Professor Comments

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and grow jobs and foster long-term recovery.

News of the special sessions coincided with an announcement by the National Bureau of Economic Research (NBER) that the U.S. economy has, in fact, been in a recession since December 2007.

Monday's events came on the heels of a November 30 opinion piece by Stanford University Professor Michael Boskin urging the administration to protect the private sector as businesses, entrepreneurs, investors and consumers ultimately will be the ones to pull the nation out of its economic free fall.

Special Sessions

During a news conference, the Governor reiterated his call for a combination of difficult spending cuts and new revenues to solve the state's revenue shortfall. California's current fiscal year budget shortfall is projected to be \$11.2 billion. Preliminary estimates from the Legislative Analyst's Office show the budget deficit reaching \$28 billion over the next 18 months.

Under Proposition 58, the Legislature has 45 days to pass and send a bill(s) to the Governor's desk to address the state's budget crisis. If the 45 days pass and the Legislature has not approved bills to address the problem, it cannot adjourn or act on other bills until the state's fiscal emergency is addressed.

U.S. in Recession

The NBER, a private, non-profit research organization, said its group of academic economists who determine business cycles met and decided that the

U.S. recession began last December.

By one benchmark, a recession occurs whenever the gross domestic product (GDP), the total output of goods and services, declines for two consecutive quarters. The GDP turned negative in the July-September quarter of this year, and many economists believe it is falling at an even sharper rate in the current quarter.

But the NBER's dating committee uses broader and more precise measures, including employment data. In a news release, the group said its cycle dating committee held a telephone conference call on November 28 and determined when the recession began.

The NBER decision means that the economic expansion lasted from November 2001 until December 2007. Economic expansions peak and recessions begin in the same month, according to the NBER's dating methods.

Founded in 1920, the NBER has more than 1,000 university professors and researchers who act as bureau associates, studying how the economy works.

Stanford Professor's Analysis

The subjects of budgetary shortfalls, recession and taxes were all highlighted in the opinion piece by Boskin featured in *The New York Times* on November 30.

Boskin, a professor of economics at Stanford and a senior fellow at the Hoover Institution, explained that President-Elect Barack Obama's new administration should focus on the most important issues facing the country right now, including income, jobs and wealth.

"Mr. Obama needs to think about everything his administration does through the prism of how it will affect

the economy in the next two years.

That means postponing, scaling back or slowly phasing in proposals that impose significant costs on the economy," Boskin said.

Boskin also recommended in the piece that the new administration needs to focus a fiscal stimulus on what works, not a congressional wish list. Specifically, he recommended permanent tax cuts for households, especially in rates; tax incentives for business investment, hiring and home purchases also are desirable.

Boskin cautioned President-Elect Obama to beware of the law of unintended consequences, noting that "history suggests that most legislation will produce less than forecast, more slowly, at greater cost," and advised the new administration to be suspicious of trying to pick economic winners and losers with subsidies, taxes and regulation.

Instead, "the government should set general goals for the environment, energy and health care—and then let entrepreneurs, investors, venture capitalists and consumers decide how best to achieve them. No policy that cannot be commercially sustainable in the long run makes sense," Boskin said.

Finally, Boskin recommended that any tax increases should be delayed until the economy has recovered. "Raising tax rates is rarely a good idea, but it is especially foolish in a deep recession. On the budget and spending, he should try pilot programs to test his ideas. If they work at sensible cost, he will get broad support to expand them. If not, he should jettison or reform them."

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Three mandatory changes—you need the 2009 poster.

It's time to make sure you will be in compliance with the new requirements for 2009 and avoid fines. Our **Required Notices Kit** includes everything you must post and make available to all employees:

- **2009 Employment Notices Poster**—Includes mandatory updates for FMLA, EEO and EDD
- **Workers' Compensation** pamphlets (20 copies)—Mandatory changes
- **State Disability Insurance** pamphlets (20 copies)—Mandatory changes
- **Paid Family Leave** pamphlets (20 copies)—Mandatory changes
- **Unemployment Insurance** pamphlets (20 copies)—Mandatory changes
- **Sexual Harassment Information** sheets (20 copies)



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