

ALERT

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Governor Presents Plan to Close State Budget Gap



BUDGET

Governor Jerry Brown this week released his 2011–12 plan to close an estimated \$25 billion budget deficit.

The proposed budget calls for \$12.5 billion in spending cuts,

\$13.8 billion in new taxes—including a five-year extension of several taxes that were increased temporarily in 2009—and a realignment of responsibility and spending back to local governments.

CalChamber Comment

California Chamber of Commerce President and CEO Allan Zaremborg commented, “We appreciate Governor Brown’s frank assessment of the situation California faces.

“As we delve into the details of what the Governor has proposed, we will need to carefully weigh the cumulative impact of the budget proposals against their impact on the economy.

“We must remain focused on California’s need for continued investment in private sector job growth, since private sector job creation is the key to

See Governor: Page 3

Seeking Member Input on Changes to OSHA Noise Standard Enforcement



The California Chamber of Commerce is urging members to provide their comments on proposed changes in the way employers protect against excessive noise in the workplace.

For the last 25 years, the federal Occupational Safety and Health Administration (OSHA) has required the use of administrative or engineering controls only if personal protective equipment (PPE), including earplugs, earmuffs and other hearing protectors, was not sufficient in reducing workplace noise to acceptable levels.

New Interpretation

On October 19, 2010, however, OSHA proposed to reverse its long-standing interpretation of the rule, 29 CFR Section 1910.95 (B)(1), and what constitutes a “feasible” protection against noise.

OSHA’s new proposed policy will require PPE as a last resort, rather than an acceptable primary means of complying with the noise standard.

This reversal in interpretation could have costly implications for employers, such as upgrading to quieter machinery,

See Seeking: Page 4

Finance Director Recaps Governor’s Budget



Photo by Megan Wood

Ana Matosantos, finance director for Governor Jerry Brown, outlines the Governor’s proposal to balance the state budget this year and into the future at the first CalChamber Luncheon Forum of the year on January 13. Story at www.calchamber.com.

Inside

Major Victories 2010:
Pages 5–6

Cal/OSHA Corner

Injury/Illness Summary (Form 300A) Must Be Posted Starting February 1



Mel Davis
Cal/OSHA Consultant

Is my company required to post the Form 300 beginning February 1?

If your company had 10 or fewer employees at all times during the last calendar year, your company does not need to keep Cal/OSHA injury and illness records. This exemption also applies if your company's Standard Industrial Classification (SIC) code is included

in Table 1 of Appendix A, Section 14300.2, Article 2 of the regulations adopted by California's Division of Labor Statistics and Research, and enforced by Cal/OSHA. However, the federal Occupational Safety and Health Administration (OSHA) or the U.S. Bureau of Labor Statistics may ask you to participate in a random survey to provide records as detailed in the provisions of Section 14300.41 or Section 14300.42.

Form 300, 300A

The Form 300 is used to record, or log, all injuries and illnesses, except those that have been determined to be first aid only. Typically, the Form 300 is not posted because there may be employee privacy issues involved.

As an employer, you are not to include the employee's name for specific injuries or illnesses listed in Section 14300.29(b) (7), such as needle sticks, HIV infection, hepatitis, sexual assault and others. In addition, an employee suffering from an injury or illness not listed as a privacy issue may request that his/her name not be entered on the log.

Another form, the 300A, must be completed and posted beginning February 1. This form contains a summary of the total number of job-related injuries and illnesses that occurred during the previous year. Employers are required to post only the summary (Form 300A)—not the Form 300 (Log)—from February 1 to April 30.

The summary must list the total number of job-related injuries and illnesses that occurred in the previous year and were logged on the Form 300 (Log). Employment information about the annual average number of employees and total hours worked during the calendar year also is required to assist in calculating incidence rates. Companies

with no recordable injuries or illnesses in the previous year must post the summary with zeros on the "total" line. A company executive must certify all establishment summaries.

The form is to be displayed in a common area where notices to employees usually are posted. Employers must make a copy of the summary available to employees who move from worksite to worksite, such as construction workers, and employees who do not report to any fixed establishment on a regular basis.

More Information/Forms

Employers are responsible for providing a safe and healthful workplace for their employees. The role of OSHA is to assure the safety and health of U.S. workers by setting and enforcing standards; providing training, outreach and education; establishing partnerships; and encouraging continual improvement in workplace safety and health.

A free Log 300 wizard is available at www.calchamberstore.com/log300wizard to help a business determine whether it is subject to recordkeeping requirements.

For more information on Form 300 filing and posting requirements, or copies of the OSHA Forms 300, 300A and 301 visit www.hrcalifornia.com.

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.

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**Next Alert:
January 28**

Labor law answers
online **HRCalifornia.com**



Governor Presents Plan to Close State Budget Gap

From Page 1

long-term budget solvency.”

Governor Brown described his proposed cuts as “painful, requiring sacrifice from every sector of the state, but we have no choice.”

He commented, “For 10 years, we’ve had budget gimmicks and tricks that pushed us deep into debt. We must now return California to fiscal responsibility and get our state on the road to economic recovery and job growth.”

Characterizing his realignment plan as “vast and historic,” the Governor said it will return decisions and authority to cities, counties and schools, and “allow government at all levels to focus on core functions and become more efficient and less expensive” by reducing duplication of services and administrative costs.

Cuts/Realignment

The proposed budget maintains K–12 education funding for 2011–12 at the same level as 2010–11.

Other proposed budget items of interest to job creators include:

- the proposal to extend for five years the increases in the personal income tax, sales tax and vehicle license fee rates, subject to voter approval this June, when the tax hikes would otherwise expire. The Governor estimates continuing the

increase will raise \$9.19 billion through 2011–12. Business would pay about a third of the total tax increase.

- phasing out the state’s authority for local redevelopment, which the Governor estimates will return \$1.7 billion for state use. He proposes instead that a constitutional amendment be adopted in

2012 to give local voters the option to raise funds for economic development with 55-percent voter approval. Existing project contracts would not be affected. Redevelopment funding has been used to help reinvigorate downtown economies throughout California.

- repeal of enterprise zone tax credits, restoring \$924 million to the state’s General Fund through 2011–12.

- mandating the single sales factor method for multistate/multinational companies to determine their California income for tax purposes. Current law allows companies to choose between two methods. The Governor estimates the mandate will yield \$1.4 billion for the state’s General Fund through 2011–12.

- reductions of \$500 million each for the University of California and California State University systems, assuming the tax extensions pass in June. The UC president reports that the state’s annual per student contribution will, for the first time in the university’s 143-year history, be less than what students pay for operating expenses. For CSU, the reduced support is equivalent to 1999–2000 levels, although there are nearly 70,000 more students, according to the CSU chancellor.

The Governor’s full budget proposal is available at www.ebudget.ca.gov.

Staff Contact: Marc Burgat

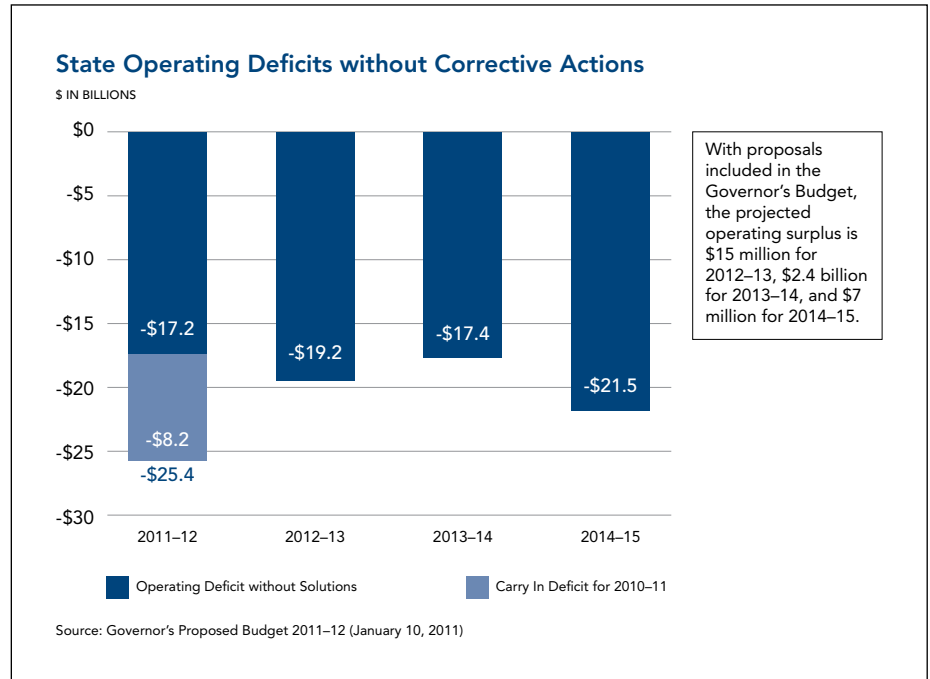


Photo by Megan Wood

Members of the media interview CalChamber President and CEO Allan Zaremborg following the Finance Director’s budget presentation.

Seeking Member Input on Changes to OSHA Noise Standard Enforcement

From Page 1

installing soundproofing barriers or hiring additional staff to allow them to be rotated for the same job, thereby reducing their exposure to noise.

In addition, OSHA is proposing the term “feasible” to mean any administrative or engineering control that doesn’t threaten a company’s “ability to remain in business.”

For example, if a company is not able to retrofit machines to reduce noise, the com-

pany could be required to purchase new machinery, regardless of the cost, so long as it would not bankrupt the company.

In the case of a large company, using this new interpretation could include OSHA forcing the closure of a facility so long as the company itself could sustain the loss.

With OSHA’s proposed changes, companies that are currently successful in using PPE to protect their employees could be required to implement engineering and administrative measures.

A company could not justify failure to utilize engineering controls based on any reason short of the insolvency of the company as a whole.

Seeking Comments

Questions or concerns about these changes can be submitted to Policy Advocate Marti Fisher, marti.fisher@calchamber.com.

CalChamber-Sponsored Seminars/Trade Shows

More information at

www.calchamber.com/events.

Business Resources

E-Verify Overview. U.S. Citizenship and Immigration Services, Department of Homeland Security. January 21, Webinar. (202) 443-0138.

VocEx 2011. International Association of Rehabilitation Professionals. January 29, Los Angeles. (650) 738-4680.

Spotlight on High Technology. Licensing Executives Society (U.S.A. and Canada), Inc. February 10–11, San Jose. (703) 836-3106.

Aging in America Conference. April 26–30, San Francisco. (415) 974-9638.

Preventing Workplace Fraud Webinar On Demand. CalChamber. (800) 331-8877.

International Trade

Green Aviation Seminar. Japan External Trade Organization (JETRO). January 20, San Francisco. (415) 392-1333.

High Tech Mission to India. U.S. Department of Commerce. February 6–11, New Delhi, Bangalore, Mumbai. (202) 482-3663.

The Americas Business Forum. March 2–3, Los Angeles. (213) 580-7500.

Complying with U.S. Export Controls. U.S. Department of Commerce,

Bureau of Industry Security. March 24–25, San Diego. (858) 467-7040.

Asia Pacific Business Outlook 2011. University of Southern California/U.S. Department of Commerce, U.S. Commercial Service. March 28–29, Los Angeles. (213) 740-7130.

Labor Law

HR101: Intro To HR Administration. CalChamber. January 19, San Jose. (800) 331-8877.

HR201: Labor Law Update Seminar. CalChamber. January 20, San Jose; January 21, Emeryville. (800) 331-8877.



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Successes help employers, jobs and the economy

CAPITOL WATCHDOG

Each year CalChamber tracks more than 3,000 legislative proposals on behalf of member businesses.

GRASSROOTS ACTION

Comments from employers yield results. See hot issues at www.calchambervotes.com.

ABOUT US

CalChamber is the largest, broad-based business advocate, working at the state and federal levels to influence government actions affecting all California business. As a not-for-profit, we leverage our front-line knowledge of laws and regulations to provide affordable and easy-to-use compliance products and services.

2010 Major Victories

Fighting for Jobs, Restoring California Economy

The California Chamber of Commerce is the voice of California business, expert at speaking for pro-job policies and advising employers on how state laws and regulations will affect the workplace. We track more than 3,000 legislative proposals every year, sounding the alarm when a bill will hurt employers and the economy, and working to win support for legislation that will help the jobs climate. Policymakers listen to CalChamber advocates, knowing that we speak for close to 15,000 member businesses employing a fourth of the state's private workforce and reflecting the diversity of the California business community.

Further emphasizing our message are the thousands of individuals who use our Web-based grassroots center, www.calchambervotes.com, to make their views known to their elected representatives. In 2010, these businesspeople sent nearly 202,000 letters about state and federal issues affecting business operations.

The following is a brief recap of how CalChamber advocacy in 2010 helped employers. See the *Advocacy Return on Investment* sheet for estimates of employer savings on some of these victories.

Stopping 41 of 43 'Job Killer' Bills

Strong CalChamber advocacy, helped by other business groups, pro-jobs legislators and the Governor's veto pen, stopped 41 of 43 "job killer" proposals. Below is a sampling of "job killers" that failed to become law. For details, visit www.calchamber.com/jobkillers.

- **Stopped costly workplace mandates**, such as proposals eroding the cost-saving workers' compensation reforms (SB 145), removing the overtime exemption for agricultural employees (SB 1121) and undermining the process that now guarantees, through secret-ballot elections, a fair vote and the expression of agricultural employees' true sentiments on the selection of a collective bargaining representative (SB 1474).
- **Prevented expansion of employer liability** by stopping restrictions on the ability of employers to base employment decisions on the evaluation of all legally available information, including consumer credit reports (AB 482) or a criminal conviction (AB 2727); and an attempt to potentially criminalize almost any legitimate wage dispute with a terminated employee that takes longer than 90 days to resolve (AB 2187).
- **Kept lid on inflated liability costs** by advocating vetoes of proposals invalidating certain arbitration agreements (AB 1680) and limiting judicial discretion to reduce or deny exorbitant legal fees in fair employment and housing cases (AB 2773).
- **Halted expensive, unnecessary regulatory burdens**, such as an expanded waste bureaucracy (AB 479, AB 737), mandates on California's food service industry (AB 2138) and inappropriate price controls (AB 2578).
- **Blocked new barriers to economic development**, such as tax hikes on companies that invest in property and jobs (AB 1935, SBX6 18), targeted tax increases (AB 2100, SB 1210, ACA 22), and proposals creating uncertainty about the future availability of investment-encouraging tax credits (AB 2171, AB 2641, ACA 6, SB 1272, SB 1391, SBX6 20).

Increasing Construction Jobs through Job Creator Bills

Supported four bills signed into law that will lead to increased construction jobs by streamlining the California Environmental Quality Act process for certain projects (AB 1846); authorizing use of design-build by the Riverside County Transportation Commission (AB 2098); creating construction jobs building travel infrastructure (SB 1192); and ensuring expedited permitting of environmentally sound solar thermal projects (SBX3 34).



Stopping Hidden Taxes

Sponsored the winning campaign for Proposition 26, clearly defining fees and taxes at the state and local levels so that governments can't pass real taxes with a simple majority vote.

Winning Voter Backing for Redistricting Reform

Backed the successful measure assigning the drawing of congressional district boundaries to the citizens commission (Proposition 20) and helped defeat the effort by incumbent politicians to eliminate the commission (Proposition 27).

Defeating Marijuana Initiative

Through its business political action committee, the CalChamber funded a statewide radio ad campaign that helped defeat Proposition 19, the marijuana initiative that not only would have legalized marijuana use in California, but also would have created a legal quagmire for employers, compromised workplace safety and established a new class of protected workers in the state.

Helping Pro-Jobs Legislators Win Election

Helped elect four pro-job candidates to the Senate (two Democrats and two Republicans), thereby preserving the pro-jobs balance in that house.

Increasing Voters' Right to Participate in Primary Elections

Supported successful initiative allowing all voters to choose any candidate regardless of the candidate's or voter's political party preference (Proposition 14).

Keeping California Moving Toward Water Reliability

Preserved ability for voters to consider in 2012 a legislative and bond package putting the state on a pathway to long-term water supply reliability and ensuring a safe drinking water supply (AB 1265).

Promoting Student Preparation for Workplace

Advocated passage of legislation that will help increase the number of students who go on to obtain a four-year degree by requiring California Community Colleges to offer an associate's degree for transfer (SB 1440); and bills putting California in the best position to meet requirements for federal grants for education (SBX5 4, SBX5 1).

Speeding Judicial Process

Supported an expedited alternative to full-length jury trials, allowing individuals and organizations to resolve disputes efficiently and effectively (AB 2284).

Simplifying Tax Code

Supported proposal reducing complexity and waste in tax reporting and administration by conforming many California tax provisions to recent changes in federal tax law, including a conformity provision giving financial relief to troubled borrowers by excluding debt forgiven by a lender from a borrower's taxable income (SB 401).

Lightening Threat of Disproportionate Penalties

- Led successful effort to defeat legislation automatically adjusting maximum and minimum penalties upward according to inflation and raising penalties even higher according to an arbitrary rounding scheme (AB 846).
- Sponsored legislation disallowing mandatory penalties for non-threatening violations, such as failing to report a facility had no discharge under its permit, unless the water board has given notice of the violation (SB 1284).

Preserving Viability of Gift Certificates

Worked to secure amendments to legislation that would have imposed burdensome and infeasible regulations on businesses that provide gift cards to consumers (SB 885).

CalChamber Member Firms Make Top of *Newsweek* Green Companies List

As states aim for energy efficiency and greenhouse-gas emission control, companies throughout the United States are striving to do the same and many are emerging as leaders in green innovation. Last October, *Newsweek* magazine took 500 of the largest publicly traded U.S. companies and produced a 2010 Green Rankings List.

Technology companies dominated the rankings, partly due to their low-impact products (like software). However, these companies are finding solutions to make products cheaper to manufacture and operate, while saving energy or reducing waste.

Of the top 10 companies featured in the magazine, seven are California Chamber of Commerce members. The seven companies to make it to the top are as follows.

Hewlett-Packard Company

Praised as a leader on environmental issues, Hewlett-Packard placed second on *Newsweek's* list. The company was



commended for its use of renewable energy and strong programs to reduce greenhouse-gas emissions.

Since 2008, HP has been reporting emissions associated with its supply chain and is working to make its products more energy efficient. HP's current information technology systems use 66 percent less energy than those designed in 2005. Customers would save \$10.4 billion a year if all the HP printers, servers and PCs shipped in 2005 were replaced with new HP models, according to the article.

HP's Green Score was 99.32. The company scored 90s in reputation; green policies; and environmental impact.

IBM

On HP's heels and third on the Green Rankings List, IBM was given a



Green Score of 99.20, scoring 90s in the categories of environmental

impact and reputation.

In the last 20 years, IBM has found

ways to reduce its energy use by 5.1 billion kilowatt hours (enough to power a midsize town). The company is now creating products like the Sustainability Management System, which aids in operating commercial buildings more efficiently.

Johnson & Johnson

The only pharmaceutical company in the top 10 on the Green List, Johnson & Johnson came in fourth, scoring almost 100 in the green policies category.



The company aimed to reduce its baseline carbon dioxide (CO₂) emissions 7 percent by 2010 and surpassed the goal by reducing emissions 16 percent.

Johnson & Johnson also exceeded its goals in reducing waste, packaging and energy use. Solar panels provide 70 percent of the electricity at its Titusville, New Jersey, facility, according to the article.

Intel

Fifth on the list, Intel scored 90s in the environmental impact and reputation categories. The tech company is noted



for its commitment to reducing waste, as nearly half of its U.S. energy comes from renewable sources.

Intel also strives to find suitable alternatives for the toxic components in its products. Believing that reducing its environmental footprint is everybody's business, the company links the year-end bonuses of all employees to its sustainability goals.

Sprint Nextel Corporation

The only telecommunications company in the top 40 on the list, Sprint Nextel Corporation plans to reduce its greenhouse-gas emissions 15 percent between 2007 and 2017 by improving energy efficiency within its networks.



Sprint Nextel also was commended for

its strong recycling program, which allows customers to turn in old phones, batteries and accessories (regardless of the brand).

Sprint Nextel scored 90s in environmental impact and green policies.

Yahoo Inc.

Yahoo is a leader in improving data center efficiency, purchasing energy from renewable sources and locating new data



centers in cooler climates to cut

down on cooling costs. A new facility in New York consumes 40 percent less electricity and 94 percent less water than conventional data centers.

Yahoo ranked ninth on the list, scoring an 89 in the green policies category. The company is recognized for its Yahoo Green site, which is dedicated to green lifestyle tips and in turn encourages its 600 million users to be environmentally aware.

Nike

Nike, 10th on the list, is noted for having a strong commitment to evaluating and improving the environmental footprint of its suppliers.

Nike is aiming for carbon neutrality in all its facilities by 2015 and already



has significantly reduced its energy use by installing efficient

lighting; heating/ventilating/air conditioning (HVAC) systems; and investing in teleconference equipment to reduce business travel.

Nike scored a 97 in the reputation category.

Scores

Newsweek measured companies on revenue, market capitalization and staff size. The companies then were given a Green Score, calculated using three component scores: the Environmental Impact Score (based on worldwide footprint); the Green Policies Score (based on a comprehensive assessment of environmental initiatives); and the Reputation Score (based on a poll of sustainability officers, academics and CEOs).



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P.O. BOX 1736 SACRAMENTO, CA 95812-1736
(916) 444-6670 FACSIMILE (916) 444-6685
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